

**COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL
EASTERN REGIONAL OFFICE**

By: James A. Donahue, III
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COMMONWEALTH OF	:	COURT OF COMMON PLEAS
PENNSYLVANIA	:	OF DELAWARE COUNTY
By MICHELLE A. HENRY,	:	
Attorney General,	:	
	:	
Plaintiffs,	:	No.
	:	
V.	:	
	:	
PROSPECT MEDICAL	:	CIVIL ACTION-LAW
HOLDINGS, INC.,	:	
PROSPECT CROZER, LLC,	:	
LEONARD GREEN AND PARTNERS,	:	
SAMUEL LEE, Individually, and	:	
DAVID TOPPER, Individually,	:	
Defendants.	:	

NOTICE TO DEFEND

You have been sued in court. If you wish to defend against the claims set forth on the following pages, you must take action within twenty (20) days after this Motion and Notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice or any money claimed in the Motion or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE! IF YOU DO NOT HAVE A LAWYER, OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THE OFFICES BELOW MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDICED FEE OR NO FEE.

**LAWYER REFERRAL
SERVICE
DELAWARE COUNTY BAR
ASSOCIATION
Front & Lemon Streets
P.O. Box 466
Media, PA 19063
(610) 566-6625**

OR

**PENNSYLVANIA LAWYER
REFERRAL SERVICE
P.O. Box 1086
100 South Street
Harrisburg, PA 17108
PA Residents Phone: 1-800-
692-7375**

COMMONWEALTH OF	:	COURT OF COMMON PLEAS
PENNSYLVANIA	:	OF DELAWARE COUNTY
By MICHELLE A. HENRY,	:	
Attorney General,	:	
	:	No.
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PROSPECT MEDICAL	:	CIVIL ACTION-LAW
HOLDINGS, INC.,	:	
PROSPECT CROZER, LLC,	:	
LEONARD GREEN AND PARTNERS,	:	
SAMUEL LEE, Individually, and	:	
DAVID TOPPER, Individually,	:	
Defendants.	:	

SCHEDULING ORDER

AND NOW, this _____ day of _____ 2024, it is hereby **ORDERED**
and DECREED that a hearing with counsel is scheduled for _____ at
_____, at the Delaware County Courthouse, located at 201 W. Front Street, Media, PA, 19103.

BY THE COURT:

J.

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL
EASTERN REGIONAL OFFICE
BY: James A. Donahue, III
First Deputy Attorney General
Identification No. 42624
1600 Arch Street Suite 300
Philadelphia, PA 19103
Telephone: (215) 560-2402

COMMONWEALTH OF
PENNSYLVANIA, by Michelle A. Henry,
Attorney General,

Plaintiff,

v.

PROSPECT MEDICAL HOLDINGS, INC.,
PROSPECT CROZER, LLC,
LEONARD GREEN AND PARTNERS,
SAMUEL LEE, Individually, and
DAVID TOPPER, Individually,

Defendants

: COURT OF COMMON PLEAS
: OF DELAWARE COUNTY

: No.

: CIVIL ACTION-LAW

ORDER

AND NOW, this _____ day of _____, 2024, upon consideration of the Commonwealth's Motion for an Order Appointing a Receiver Pursuant to Pa.R.C.P. 1533 and annexed attachments hereto, it is hereby **ORDERED** and **DECREED** that FTI Consulting is appointed as receiver of Prospect Crozer, LLC, with the following powers and duties to:

1. Maintain the records, books, accounts, and other documents of Prospect Crozer;

2. Manage the daily operations of the Prospect Crozer, including collection of any income, profits, rents and other revenues owed to the Prospect Crozer, while winding up the affairs of Prospect Crozer;
3. Take any reasonable action to ensure that that Prospect Crozer complies with all laws applicable to the operation of the Property as provided under the laws of the United States and the Commonwealth of Pennsylvania;
4. Enter upon and take possession and control of any and all of the Property;
5. Take and maintain possession of all documents, books, records, papers and accounts relating to the Property;
6. Preserve and maintain the hospital system;
7. Engage the following individuals, including but not limited to, contractors, subcontractors, materialmen, architects, engineers, consultants, managers, brokers, marketing agents, guards, clerks, accountants, or other employees, agents, independent contractors or professionals as the Receiver may, in the Receiver's sole and absolute discretion, deem appropriate or desirable to implement and effectuate the rights and powers herein granted;
8. Purchase inventory, operating supplies, equipment and other personal property as necessary in the Receiver's sole and absolute discretion to operate the Property and wind up the affairs of Prospect Crozer;
9. Enter into, modify, amend, renew or cancel such leases, whether of real or personal property, tenancy agreements or contracts relating to the Property, under such terms and conditions as the Receiver may, in the Receiver's sole and absolute discretion, deem appropriate or desirable;

10. Enter into, modify, amend or renew any contracts with employees, providers and vendors.
11. Collect and receive any rents and profits, insurance payments, income or proceeds due to the Prospect Crozer;
12. Sue for any unpaid rents and profits, payments, income or proceeds in the name of the Prospect Crozer;
13. Compromise or give acquittance for any rents and profits, payments, income or proceeds that may become due;
14. Make repairs and alterations to the Property;
15. Do any lawful acts reasonably requested by the Commonwealth to protect the Property and use such measures, legal or equitable, reasonably requested by the Commonwealth to wind up the affairs of the Prospect Crozer.
16. File for bankruptcy if warranted.
17. Recommend to this Court with notice to the Commonwealth a specific distribution of the remaining assets of the Prospect Crozer system to one or more nonprofit organizations to serve the health care needs through management of an acute care hospital or hospitals.

IT IS FURTHER ORDERED that the Receiver may seek instructions and additional authority from the Court upon written notice to the parties. This Court shall retain jurisdiction and supervision of all matters concerning Prospect Crozer and the Receiver.

BY THE COURT:

_____, J.

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL
EASTERN REGIONAL OFFICE
BY: James A. Donahue III
First Deputy Attorney General
Identification No. 42624
1600 Arch Street Suite 300
Philadelphia, PA 19103
Telephone: (215) 560-2402

COMMONWEALTH OF
PENNSYLVANIA, by Michelle A. Henry,
Attorney General,

Plaintiff,

v.

PROSPECT MEDICAL HOLDINGS, INC.,
PROSPECT CROZER, LLC,
LEONARD GREEN AND PARTNERS,
SAMUEL LEE, Individually, and
DAVID TOPPER, Individually,

Defendants

: COURT OF COMMON PLEAS
: OF DELAWARE COUNTY
:

: No.
:

: CIVIL ACTION-LAW
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MOTION FOR AN ORDER APPOINTING A RECEIVER
PURSUANT TO Pa.R.C.P. 1533

TO THE HONORABLE, THE JUDGES OF SAID DIVISION:

The Commonwealth of Pennsylvania acting as *parens patriae* through its Attorney General, Michelle A. Henry, respectfully petitions this Honorable Court to appoint FTI Consulting as the Receiver of all assets of Prospect Crozer, LLC pursuant to Pennsylvania Rule of Civil Procedure (Pa.R.C.P.) 1533. In support of this request, the Attorney General offers the following:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to 42 Pa.C.S. § 931(a).
2. Venue lies in Delaware County pursuant to 42 Pa.C.S. § 931(c) and Paragraph 14.6 of the Asset Purchase Agreement (“APA”) because Prospect Medical Holdings, Inc. and Prospect Crozer operate hospitals that are located in and operates their hospital system, affiliates, and joint ventures in Delaware County, and the APA provides that venue for “any dispute arising out of this Agreement shall be the state or federal courts of the Commonwealth of Pennsylvania.” A true and correct copy of the APA is attached hereto as Exhibit “A”.

PARTIES

3. Plaintiff is the Commonwealth of Pennsylvania acting as *parens patriae* through its Attorney General, Michelle A. Henry (“Commonwealth”), with a regional office located at 1600 Arch Street, Suite 300, Philadelphia, PA 19103.
4. Defendant Prospect Medical Holdings (“HOLDINGS”) is a Delaware Corporation with its principal office located at 3415 Sepulveda Blvd., Los Angeles, CA 90034.
5. Defendant Prospect Crozer, LLC (“PROSPECT CROZER”) is a Pennsylvania limited liability company with its principal place of business located at 100 West Sproul Road, Springfield, PA 19064.
6. Defendant Samuel Lee (“LEE”) currently serves as HOLDINGS’ Chief Executive Officer and has served as Chairman of Holdings’ Board of Directors since HOLDINGS’ purchase of CKHS.
7. Defendant David Topper (“TOPPER”) is currently the Co-Chief Executive Officer of Holdings and President of Alta Hospital Systems, LLC.

BACKGROUND

8. The Commonwealth has filed contemporaneously with this Motion a verified *Complaint* and incorporates each allegation of fact contained therein as if stated fully herein. The Commonwealth has also filed contemporaneously with this Motion a verified *Motion for Preliminary Injunction* and incorporates each allegation of fact contained therein as if stated fully herein.

9. In addition to the facts contained in the Commonwealth's Complaint and Motion for Preliminary Injunction, The Commonwealth provides the following in support of its Motion for an Order Appointing a Receiver:

LEGAL STANDARD

10. Pennsylvania Rule of Civil Procedure 1533 permits this Court to appoint a receiver for property as a form of special equity relief. Pa.R.C.P. 1533.

11. Courts have wide discretion in determining whether the appointment of a receiver is appropriate. *Hankin v. Hankin*, 507 Pa. 603, 493 A.2d 675 (1985). Courts have recognized several circumstances that may justify appointing a receiver, including the existence of waste or dissipation of assets, fraud, or mismanagement. *Id.* At 608-609. However, other similar circumstances may also warrant the appointment of a receiver.

12. Though the appointment of a receiver is recognized as an extraordinary remedy, it may be appropriate in instances of waste, fraud, mismanagement, or other similar circumstances. *Hankin*, 507 Pa., at 608.

13. Where the threatened loss is irreparable, there is no adequate legal remedy, and the relief sought is necessary, the appointment of a receiver is appropriate. *McDougal v. Huntingdon & Broad Top Mountain Railroad & Coal Co.*, 294 Pa. 108, 143 A. 574 (1928).

14. Receivers may be appointed for a corporation regardless of solvency. *McDougal*, 294 Pa. at 117. In other words, a receiver may be appointed to assist either a solvent corporation or an insolvent corporation.

17. Defendants HOLDINGS and PROSPECT CROZER plan to discontinue critical service lines.

18. Crozer-Chester Medical Center is the only hospital within Delaware County providing Burn and Trauma services.

19. The threatened closure of critical service lines at Crozer-Chester Medical Center will result in the public's loss of these health care service providers.

20. These actions of HOLDINGS and PROSPECT CROZER demonstrate that Defendants either cannot or will not honor their commitments to the public under the APA.

PROPOSED RECEIVER

21. The Commonwealth recommends that the Court appoint FTI Consulting as Receiver for the reasons outlined below and as set forth in the Proposed Order attached hereto.

22. FTI is a global consulting firm, headquartered at 555 12th St. NW, Suite 700, Washington, D.C. 20004, with local offices at 1255 Drummers Lane, Suite 320, Wayne, PA 19087, and 14 Clover Lane, Newtown Square, PA 19073:

- a. FTI has substantial experience managing financially-distressed corporations;
- b. FTI's healthcare management practice group, is led by Senior Managing Director Jeff D. Benton. Mr. Benton has more than forty (40) years of experience in healthcare finance, accounting, real estate, including mergers and acquisitions, turnarounds,

restructuring, and workout projects with distressed hospitals in Pennsylvania; and

- c. FTI has indicated a willingness to serve as receiver of PROSPECT CROZER and will make business decisions that restore and maintain the public's access to healthcare within Delaware County.

WHEREFORE, the Commonwealth respectfully requests that this Honorable Court enter an Order:

- a. finding that the public is at imminent risk of PROSPECT CROZER's closure of critical services lines within its hospital system;
- b. finding that Defendants HOLDINGS and PROSPECT CROZER'S conduct with regard to the Delaware County health system constitutes waste, dissipation, fraud, or mismanagement;
- c. finding that Defendants HOLDINGS and PROSPECT CROZER'S conduct in closing down key service lines will cause imminent and irreparable harm to the community served by the health system by denying community members access to critical service lines;
- d. finding that no other adequate legal remedy exists to address the imminent harm caused by the loss of the health system; and
- e. appointing FTI as receiver with authority to marshal assets and then take control of the hospital system to ensure that the residents of Delaware County have access to healthcare services.

Respectfully Submitted,

MICHELLE A. HENRY
ATTORNEY GENERAL

By: /s/James A. Donahue, III
James A. Donahue, III
First Deputy Attorney General
Identification No. 42624
1600 Arch Street Suite 300
Philadelphia, PA 19103

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Rosalind M. Karlin
Senior Deputy Attorney General
Attorney I.D. 308417

Pamela S. Fingerhut
Senior Deputy Attorney General
Attorney I.D. 84079

October 28, 2024

VERIFICATION

I, James A. Donahue, III, hereby state that I am the First Deputy Attorney General with the Office of the Attorney General for the Commonwealth of Pennsylvania. I verify that the averments made in the foregoing Motion for an Order Appointing a Receiver pursuant to Pa. R.C.P. 1533 are true and correct to the best of my knowledge, information, and belief. I understand that the statements therein are made subject to penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

Dated: October 28, 2024

/s/ James A. Donahue, III
James A. Donahue, III
First Deputy Attorney General

COMMONWEALTH OF	:	COURT OF COMMON PLEAS
PENNSYLVANIA	:	OF DELAWARE COUNTY
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LEONARD GREEN AND PARTNERS,	:	
SAMUEL LEE, Individually, and	:	
DAVID TOPPER, Individually,	:	
Defendants.	:	

CERTIFICATE OF COMPLIANCE

I certify that this filing complies with the provisions of the *Public Access Policy of the Unified Judicial System of Pennsylvania Case Records of the Appellate and Trial Courts* that require filing confidential information and documents differently from non-confidential information.

Respectfully submitted,
MICHELLE A. HENRY
ATTORNEY GENERAL

By: /s/ James A. Donahue, III
James A. Donahue, III
First Deputy Attorney General
Identification No. 42624
1600 Arch Street Suite 300
Philadelphia, PA 19103
Telephone: (215) 560-2402

October 28, 2024

EXHIBIT A

ASSET PURCHASE AGREEMENT
BY AND AMONG
CROZER-KEYSTONE HEALTH SYSTEM
AND
PROSPECT CROZER, LLC
AND
PROSPECT MEDICAL HOLDINGS, INC.

January 8, 2016

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EXHIBITS

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- Exhibit B List of Prospect Members (and assets/liabilities acquired by each)
- Exhibit C General Assignment, Conveyance and Bill of Sale
- Exhibit D Assignment and Assumption Agreement
- Exhibit E Lease Assignment and Assumption Agreement
- Exhibit F License Assignment and Assumption Agreement
- Exhibit G DB Pension Plan Assignment and Assumption Agreement
- Exhibit H Other Benefit Plan Assignment and Assumption Agreement
- Exhibit I Transition Services Agreement
- Exhibit J Initial List of Advisory Board Members and Charter
- Exhibit K Indemnification and Restrictive Covenant Agreement

SCHEDULES

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Schedule 1.1(b)	Crozer Personal Property
Schedule 1.1(d)	Crozer Prepaid Expenses
Schedule 1.1(f)	Crozer Contracts
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Schedule 4.11(i)	Crozer Disclosure Schedule – Operating Condition of Buildings, Plans and Structures
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Schedule 4.14	Crozer Disclosure Schedule – Litigation or Proceedings
Schedule 4.15	Crozer Disclosure Schedule – Environmental Law/Permits
Schedule 4.16	Crozer Disclosure Schedule – Hill-Burton and other Liens

Schedule 4.18(a)	Crozer Disclosure Schedule – Labor, Unions, Collective Bargaining Agreements
Schedule 4.18(b)	Crozer Disclosure Schedule – Employee Claims/Complaints
Schedule 4.18(c)	Crozer Disclosure Schedule – WARN Act
Schedule 4.19	Crozer Disclosure Schedule – Material Contracts and Commitments
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Schedule 6.3(c)	Crozer Executive Management Personnel
Schedule 6.3(f)	Permitted Pre-Closing Crozer Capital Expenditures
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Schedule 11.20(a)	Prospect Comprehensive Support and Back Office Services
Schedule 11.21	Closed Hospital Departments
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Schedule 14.5(b)	Specified Prospect Personnel for Knowledge Standard
Schedule 14.8	Brokers

GLOSSARY OF DEFINED TERMS

Defined Term	Location of Definition
Accounting Firm	Section 2.2(c)
Accounts Receivable	Section 1.1(c)
Act 2	Section 11.26(b)
Advisory Board	Section 11.12
Affiliates	Section 14.16
Agreement	Heading
Anti-Kickback Law	Section 5.6(b)
Assets	Section 1.1
Assignment and Assumption Agreement	Section 3.2(c)
Assumed Liabilities	Section 1.3
Balance Sheet Date	Section 4.4(a)(i)
Benefit Plan Assignment and Assumption Agreement	Section 3.2(g)
Benefit Plans	Section 4.13(a)
Books and Records	Section 1.1(h)
Buyer Indemnified Parties	Section 13.2
Buyer/Buyers	Heading
Cassatt	Section 1.1(o)
CCMC	Section 4.6
CERCLA	Section 4.15
CH	Section 4.6
Claim Notice	Section 13.4(a)

Defined Term	Location of Definition
Closing	Section 3.1
Closing Date	Section 3.1
CMS	Section 4.8(b)
COBRA	Section 1.3(l)
Code	Section 2.7
Code Violation Cure Amount	Section 14.26
Competing Business	Section 10.3
Compliance Program	Section 4.26
Confidential Information	Section 12.1
Contracts	Section 1.1(f)
CRC	Section 11.20
Crozer	Heading
Crozer Campus	Section 4.6
Crozer Foundation	Recitals
Crozer Members	Heading
Cure Estimates	Section 8.3(a)
DB Pension Plan	Section 2.4(a)
DB Pension Plan Assignment and Assumption Agreement	Section 3.2(f)
DCMH	Section 4.6
Delco Foundation	Recitals
Effective Time	Section 3.1
HER	Section 1.1(g)

Defined Term	Location of Definition
Environmental Laws	Section 4.15
Environmental Reports	Section 4.15
ERISA	Section 4.13(a)
Estimated Net Working Capital	Section 2.2(b)
Estimated Other Adjustments	Section 2.3
Estimated Purchase Price	Section 2.1(a)
Excluded Assets	Section 1.2
Excluded Liabilities	Section 1.4
Execution Date	Heading
False Claims Act	Section 5.6(b)
Final Net Working Capital	Section 2.2(b)
Final Other Adjustments	Section 2.3(c)
Financial Statements	Section 4.4(a)
Financing Failure	Section 11.2(f)
Foundation	Recitals
Foundation Funds	Section 10.1
FTC	Section 6.5
GAAP	Section 2.2(a)
GME	Section 1.1(q)
Governmental Entity/Entities	Section 4.9
GPO	Section 11.20
Hazardous Substances	Section 4.15

Defined Term	Location of Definition
HIPAA	Section 4.9
Hired Employees	Section 11.10
Hospitals	Recitals
HSR Act	Section 6.5
Indemnification Cap	Section 13.3
Indemnified Party	Section 13.4
Indemnifying Party	Section 13.4
Insured Lease	Section 8.3(a)
Insured Lease Parcel	Section 4.11(e)
Insured Lease Parcels	Section 4.11(e)
Insured Leases	Section 8.3(a)
Intellectual Property	Section 1.1(k)
Interim Statements	Section 6.6
Inventory	Section 4.21
Justice Department	Section 6.5
Key Management Personnel	Section 10.4
Landlord Leased Real Property	Section 1.1(a)
Lease Assignment and Assumption Agreement	Section 3.2(d)
Leasehold Title Policy	Section 8.3(c)
License Assignment and Assumption Agreement	Section 3.2(e)
Licenses	Section 4.6
Liquidated Damages	Section 11.2(e)

Defined Term	Location of Definition
LLC	Section 1.1(o)
Material Adverse Effect	Section 14.17
Material Consents	Section 8.7
Material Contracts	Section 4.19(a)
Monetary Liens	Section 8.3(e)
Net Pension Liability	Section 2.4(a)
Net Working Capital	Section 2.2(a)
New Matter Title Notice	Section 8.3(d)
New Title Objections	Section 8.3(d)
New Title Objections Cure Amount	Section 8.3(d)
NOLs	Section 2.6
Non-Assignable Contract	Section 6.10(a)
Notice Period	Section 13.4(b)
ORYX	Section 4.8(b)
Other Adjustments	Section 2.3(c)
Other Assumed Liabilities	Section 1.3(l)
Owned Real Property	Section 1.1(a)
Owner's Title Policy	Section 8.3(b)
PaDEP	Section 11.26
Party/Parties	Heading
Patient Records	Section 1.1(g)
Pension Benefit Guaranty Corporation	Section 2.4(d)

Defined Term	Location of Definition
Pension Fund	Section 11.25
Pension Plan Contribution	Section 2.4(b)
Permitted Encumbrances	Section 8.3
PMH	Heading
Prospect	Heading
Prospect Members	Heading
PTO	Section 1.3(f)
Purchase Price	Section 2.1(a)
Quality Programs	Section 4.8(b)
RCRA	Section 4.15
Real Property	Section 1.1(a)
Real Property Leases	Section 3.2(d)
Records	Section 1.1(h)
Registered Seller	Section 4.8(b)
Residency Programs	Section 1.1(q)
Restricted Area	Section 10.3
Restricted Fund	Section 2.1(b)
Seller/Sellers	Heading
Seller Indemnified Parties	Section 13.1
Sellers Cost Reports	Section 11.8
Sellers Landlord Leases	Section 1.3(c)
Sellers Tenant Leases	Section 1.3(c)

Defined Term	Location of Definition
Ship Creek Discharge	Section 11.26
Side Letter	Section 14.23
Springfield	Section 4.6
SSA	Section 4.18(d)
Stark Law	Section 5.6(b)
Strategic Planning Process	Section 11.18
Survey Notice	Section 8.3(a)
Survey Objection Cure Period	Section 8.3(a)
Survey Objections	Section 8.3(a)
Survey Objections Cure Amount	Section 8.3(a)
Surveys	Section 8.3(a)
Survival Period	Section 13.8
System	Recitals
Tax/Taxes	Section 4.17(b)
Tax Clearance Certificates	Section 6.11
Taylor	Section 4.6
Tenant Leased Real Property	Section 1.1(a)
Termination Payment	Section 11.2(f)
Threshold Amount	Section 13.3
Title Commitment	Section 8.3
Title Company	Section 8.3
Transition Services Agreement	Section 3.2(h)

Defined Term	Location of Definition
Unclaimed Property	Section 4.20(b)
WARN Act	Section 4.18(c)

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of January 8, 2016 (the "Execution Date"), by and among **CROZER-KEYSTONE HEALTH SYSTEM**, a Pennsylvania nonprofit corporation ("Crozer"), on behalf of itself and its health system members listed on Exhibit A hereto ("Crozer Members" with Crozer and the Crozer Members collectively referred to as "Sellers" and with each Crozer Member and Crozer individually referred to as a "Seller"), **PROSPECT MEDICAL HOLDINGS, INC.**, a Delaware corporation ("PMH"), and **PROSPECT CROZER, LLC**, a Pennsylvania limited liability company ("Prospect") on behalf of itself and its wholly-owned affiliates listed on Exhibit B hereto ("Prospect Members") (PMH, Prospect, and Prospect Members are collectively referred to as "Buyers" and individually referred to as a "Buyer"). (Sellers and Buyers shall each be referred to individually herein as a "Party" and, collectively, as the "Parties.")

RECITALS:

A. Sellers operate an integrated health care delivery system which includes two (2) licensed hospitals (the "Hospitals") with multiple campuses, multiple outpatient centers, a fully integrated network of employed primary care physicians, specialist physicians and other providers, medical office buildings and other facilities and interests in various other organizations and joint ventures (collectively, the "System") in furtherance of its mission of providing health care services to the members of its community located primarily in Delaware County, Pennsylvania.

B. Crozer-Chester Foundation, a Pennsylvania nonprofit corporation ("Crozer Foundation") and Delco Memorial Foundation, a Pennsylvania nonprofit corporation ("Delco Foundation") accept gifts and bequests, receive grants and engage in fundraising activities for the sole benefit of the Hospitals, and, prior to closing, Sellers will cause Delco Foundation to merge with and into Crozer Foundation, with Crozer Foundation to be the surviving organization and renamed "Crozer-Keystone Community Foundation" (the "Foundation.")

C. PMH operates a comprehensive network of hospitals, outpatient centers, clinics and affiliated medical groups in several parts of the country and provides coordinated regional health care services designed to meet the needs of its patients.

D. Sellers desire to sell to Buyers and Prospect and the Prospect Members have been formed by PMH to purchase from Sellers all of the business and assets owned by Sellers (other than the Excluded Assets) on the terms and conditions set forth in this Agreement.

E. The Parties seek to enter into the above-described transaction to support their shared vision to deliver patient-centered, quality care in an efficient, cost-effective and caring manner, meeting the health needs of the community. Specifically, the Parties intend to:

- i. Continue the mission and commitment of Sellers by providing key services to vulnerable populations, extending community benefits, and supporting medical education;

- ii. Deliver high value care to the community through a commitment to practicing evidence-based medicine and protocols;
- iii. Provide exceptional growth and leadership opportunities for Sellers' existing employees;
- iv. Support strategic needs and initiatives to ensure future growth and sustainability;
- v. Continue strong medical staff relationships, improve physician practice management, further clinical and economic alignment with physicians, and improve physician access;
- vi. Grow healthcare service offerings in the community;
- vii. Further value-based accountable care infrastructure and capabilities; and
- viii. Ensure ongoing input from the community in the strategic direction of the delivery of healthcare.

NOW, THEREFORE, in consideration of the premises and the agreements, covenants, representations, and warranties hereinafter set forth, and intending to be legally bound hereby, the Parties agree as follows:

1. ASSET PURCHASE.

1.1. **Assets.** Subject to the terms and conditions of this Agreement, as of the Closing (as defined in Section 3.1 hereof), each Seller agrees to sell, convey, transfer, assign and deliver (and to cause Foundation to sell, convey, transfer, assign and deliver, as applicable) to the respective Buyer, as designated on Exhibit B hereto, and each such Buyer agrees to purchase, acquire and accept, all of such Seller's (or Foundation's, as applicable) right, title and interest in and to all of the assets owned or used by such Seller (or Foundation, as applicable), other than the Excluded Assets (hereinafter defined) (the "Assets"), which Assets shall include, without limitation, the following:

(a) the owned real property described on Schedule 1.1(a) hereto, including all buildings, structures and facilities thereon, together with all improvements and fixtures, any construction in progress, and all rights, privileges and easements appurtenant thereto (collectively, the "Owned Real Property"); the real property, buildings, structures and/or facilities which are leased by any of the Sellers as the tenant (or subtenant or equivalent) thereof and described on Schedule 4.11(e) hereto (the "Tenant Leased Real Property"); and the real property, buildings, structures and/or facilities which are leased by any of the Sellers as the landlord (or sublandlord or equivalent) thereof and described on Schedule 4.11(f) hereto (the "Landlord Leased Real Property" and collectively with the Owned Real Property and the Tenant Leased Real Property, the "Real Property");

(b) all personal property of Sellers, including all items of fixed or movable medical equipment, information systems (including computers, servers, data storage centers, telecommunications systems (including all switches, telephones and related equipment), office equipment (including copiers and printers), furniture, furnishings, Sellers' inventory of medical and office supplies, and vehicles, the current list and general location of which are set forth on Schedule 1.1(b) hereto;

(c) all accounts receivable (including patient receivables arising from rendering of services to System patients, and other receivables, including "disproportionate share payments," "meaningful use" payments, graduate medical education payments, periodic interim payments and other forms of governmental, payor and other third party reimbursement or subsidies, including, without limitation, capitation payments, incentive payments under managed care contracts and cost report receivables), billed and unbilled, recorded or unrecorded, with collection agencies or otherwise, accrued and existing in respect of items or services rendered up to the Effective Time (collectively, the "Accounts Receivable") and all bank accounts, depository accounts, safety deposit boxes, post office boxes or lockboxes associated therewith (but not including cash or investment assets as excluded by Section 1.2(a));

(d) all prepaid expenses and deposits related to the System, including prepaid lease expense, lease/security deposits, utility deposits, all medical staff fund balances (to be held for the benefit of and/or transferred to the medical staffs of the Hospitals), and all other assumable deposits and claims for refunds in connection with the System, a list of which is attached hereto as Schedule 1.1(d);

(e) all present and future claims, causes of action, and judgments in favor of each Seller relating to the Assets and, to the extent assignable by Sellers, all manufacturers and vendors' warranties (express or implied) and rights and claims assertable by (but not against) Sellers related to the Assets;

(f) all rights and interests of the applicable Seller in the contracts, commitments, leases and agreements listed on Schedule 1.1(f) or otherwise listed on Schedule 4.11(e) or Schedule 4.11(f) hereto (the "Contracts");

(g) all patient lists, demographic information, patient credit information and histories, charts, files, medical records (whether maintained in hard copy or via electronic health record ("EHR") system), X-rays and other imaging records (regardless of medium) and other documents and records generated in connection with the System's patients (the "Patient Records");

(h) all books, records, files, reports, minute books and other documents of Sellers of whatever nature and wherever located (whether in hard copy or stored or maintained electronically) that relate to the Assets or the operation of the System, including financial, business and accounting records, medical staff records, personnel records, only the records of those Benefit Plans that are expressly assumed hereunder by Buyer, records relating to union collective bargaining agreements, records relating to System physicians and other providers and the System's suppliers or vendors, equipment records, medical and administrative libraries,

catalogs, operating manuals, and policies and procedures (the "Books and Records," and collectively with the Patient Records, the "Records");

(i) to the extent assignable or transferable, all Licenses (as that term is defined in Section 4.6 hereof) held by any Seller relating to the ownership, development, or operation of the Assets or the System (including any pending governmental approvals);

(j) to the extent assignable, all Medicare participation agreements and related provider numbers of Sellers;

(k) all of Sellers' intellectual property, including the tradename, "Crozer-Keystone Health System," and each other Seller's trade name, and any variations thereof, together with all other trademarks, service marks, logos or symbols, trade secrets, know-how, processes and all inventions, patents, copyrights, research results, discoveries, and any royalties therefrom, and website domain names, telephone and facsimile numbers, and all applications and registrations with respect to any of the foregoing, all computer programs and software, including source codes (where transferrable) and access codes thereto, and all other items of intellectual property owned or registered by the Sellers, including the intellectual property listed on Schedule 1.1(k) hereto (the "Intellectual Property");

(l) to the extent not included above, the "deferred tax asset (Healthplex)" and all other assets reflected on the Sellers' Financial Statements (as defined in Section 4.4), and any additions thereto up through the Effective Time, less assets sold or consumed in the ordinary course of business;

(m) all research and other grants from any governmental entity or third party, including those of the Foundation, except those that require non-profit status or other requirements imposed by the grantor that Buyer cannot satisfy, all as set forth on Schedule 1.1(m);

(n) the interest of any Seller in all property of the foregoing types, arising or acquired in the ordinary course of the business of Sellers between the date hereof and the Effective Time;

(o) all of the stock, limited liability company ("LLC") membership, partnership or other ownership, control or beneficial interests held by one or more of the Sellers in Sellers' for profit Affiliates (as defined in Section 14.16 below), joint ventures with third parties or other non-wholly owned affiliated organizations all as specifically listed on Schedule 1.1(o), which shall include any stock or other rights or interests in Cassatt Insurance Company, Ltd. and Cassatt RRG Holding Company (collectively "Cassatt");

(p) to the extent assignable, all rights and interests of any Seller under the Environmental Permits (defined below) listed in Schedule 4.15 and all pending applications therefor or renewals thereof issued to any Seller by any Government Entity (defined below) or other jurisdiction or instrumentality;

(q) all graduate medical education ("GME") programs, including those set forth on Schedule 1.1(q) hereto (collectively, the "Residency Programs");

(r) all goodwill associated with the System and the Assets;

(s) all rights and interests to all assets held for and under each Benefit Plan that is expressly assumed by Buyers hereunder as set forth on Schedule 1.1(s); and

(t) all other tangible and intangible assets, other than the Excluded Assets, of every kind, character or description owned by each Seller, whether or not reflected on the Financial Statements, wherever located and whether or not similar to the items specifically set forth above, and all other businesses and ventures owned by each Seller.

Each Seller shall convey its Assets to the appropriate Buyer free and clear of all claims, assessments, security interests, liens, restrictions and encumbrances of any kind, other than the Permitted Encumbrances (as hereinafter defined), the Assumed Liabilities (as hereinafter defined) or taxes, assessments or other sums being prorated at Closing pursuant to this Agreement.

1.2. Excluded Assets. Notwithstanding anything to the contrary herein, including Section 1.1 hereof, those assets of Sellers described below shall be retained by Sellers or one or more Affiliates of Sellers as the case may be (collectively, the "Excluded Assets") and shall not be conveyed to any of the Buyers:

(a) cash and investment assets, other than the medical staff fund balances referenced in Section 1.1(d);

(b) board-designated, temporarily and permanently restricted and endowment funds, other donor-restricted assets, beneficial interests in charitable trusts, debt service reserve funds and other assets limited as to use and accrued earnings on all of the foregoing;

(c) deferred financing costs and workers' compensation deposits;

(d) all Seller records relating to the Excluded Assets and Excluded Liabilities (as defined below) to the extent that any Buyer does not need the same in connection with the ongoing activities of the System, the Assets, or the Assumed Liabilities (as defined below), the records of those Benefit Plans that are not expressly assumed hereunder by Buyer, as well as all records which by law, Sellers are required to maintain in their possession, including, but not limited, to personnel records for those employees of Seller who do not become Hired Employees or who do not accept an offer of employment with Buyer;

(e) all rights and interest to the assets of all Benefit Plans not expressly assumed by Buyers hereunder, including any right or interest in future credits, rebates, returned deposits, refunds or other returns of assets, whether attributable to activity prior to, or after, the Closing Date;

(f) the assets of or any rights or interests with respect to the Crozer Foundation and Delco Foundation, each a Pennsylvania nonprofit corporation, except as set forth in Section 1.1(m);

(g) the assets of or any rights or interests with respect to The Donaldson Trust;

(h) any rights or interests in VHA, Inc. and its Affiliates to the extent not also Affiliates of Seller;

(i) the assets, properties and rights specifically set forth in Schedule 1.2(i);

(j) the contracts, commitments, leases and agreements listed on Schedule 1.2(j) hereto;

(k) all research and other grants from any governmental entity or third party listed on Schedule 1.2(k) that require non-profit status or other requirements imposed by the grantor that Buyers cannot satisfy; and

(l) any rights or interests in Noble Health Alliance, LLC.

1.3. Assumed Liabilities. In connection with the conveyance of the Assets to Buyers, Buyers agree to assume, as of the Effective Time, the future payment and performance of the following liabilities (the "Assumed Liabilities") of Sellers:

(a) all obligations accruing, arising or to be performed after the Effective Time with respect to the Contracts assigned to and assumed by Buyers, but only to the extent such Contracts are listed on Schedule 1.1(f), and subject to Buyers' rights to have Sellers reasonably amend, terminate or otherwise not assign any such Contract prior to Closing;

(b) the capital/financing lease obligations set forth on Schedule 1.3(b) hereto (which shall include the current portion thereof), and the leases associated with the Broomall project referenced in Section 11.17, which shall be included on Schedule 4.11(e) or Schedule 4.11(f) as applicable;

(c) all obligations accruing, arising or to be performed on or after the Effective Time with respect to the leases of any of the Tenant Leased Real Property (such leases being referred to as the "Sellers Tenant Leases" and being set forth on Schedule 4.11(e) hereto) and all obligations accruing, arising or to be performed on or after the Effective Time with respect to the leases of any of the Landlord Leased Real Property (such leases being referred to as the "Sellers Landlord Leases" and being set forth on Schedule 4.11(f) hereto), which shall include leases associated with the Broomall project referenced in Section 11.17, but subject to Buyers' rights to have Sellers reasonably amend, terminate or otherwise not assign any such Sellers Tenant Leases or Sellers Landlord Leases;

(d) the DB Pension Plan and Net Pension Liability (as both terms are defined herein) determined pursuant to and subject to the requirements and limitations of Section 2.4;

(e) accounts payable and accrued expenses of Sellers, but only to the extent such accounts payable and accrued expenses are included in Net Working Capital and subject to the Net Working Capital adjustment as provided in Section 2.2(a);

(f) obligations and liabilities as of the Effective Time with respect to accrued paid time off ("PTO") of the Hired Employees, but only to the extent such PTO is included in Net Working Capital and subject to a Net Working Capital adjustment as provided in Section 2.2(a) and accrued sick time and provided that Buyers would not be required under any applicable law or otherwise to pay out such PTO or accrued sick time to the Hired Employees at or on account of Closing;

(g) all liabilities and obligations under the Benefit Plans (with the exception of the DB Pension Plan which is covered in Section 1.3(d)) expressly assumed by Buyers hereunder arising on or after the Effective Time other than those resulting from negligence of Sellers or Sellers' officers, directors, employees or agents prior to Closing, all provided that: (i) Buyers will not assume, before, on or after the Closing Date, any Benefit Plans that are intended to satisfy section 401(a), 401(k), 403(b), 457, or 409A of the Code, or any rights, duties, obligations or liabilities thereunder, nor shall Buyers become a successor employer or be responsible in any way for Sellers' (or their Affiliate's) participation in or obligations or responsibilities with respect to any such Benefit Plans, other than the DB Pension Plan which is covered in Section 1.3(d); (ii) all of the Sellers' Benefit Plans (which shall expressly not include the DB Pension Plan which is covered in Section 1.3(d)) that are intended to satisfy sections 401(k), 403(b), 457(b), 409A (including the supplemental executive retirement plans) and 401(a) of the Code as defined contribution plans shall be frozen as of the Effective Time and, to the extent permitted by applicable law, terminated within 180 days thereafter; and (iii) the Buyers' 401(k) plan shall accept rollover contributions from the Sellers' 401(k) and 403(b) and defined contribution plans (excluding outstanding loans);

(h) all liabilities and obligations under the union collective bargaining agreements or contracts assumed by the Buyers hereunder, if any, that arise from events after the Effective Time, and including any event that results in withdrawal liability with respect to the Pension Fund identified in Section 11.25;

(i) all liabilities and obligations under the Sellers' severance policies, including executive severance and change-in-control arrangements for payment of severance or termination benefits to executive / management employees, as set forth on Schedule 1.3(i) hereto, provided further that such arrangements were in effect prior to June 30, 2015 have not been materially amended since June 30, 2015, and provided that Buyers would not be required under any applicable law or otherwise to pay out any such benefits at or on account of Closing, except for any such employee not hired by Buyer as of Closing;

(j) all liabilities and obligations under the Environmental Permits transferred to Buyer pursuant to Section 1.1(p) arising after the Effective Time (but excluding any liabilities and obligations arising from or related to any breach by any Seller that occurred prior to the Effective Time);

(k) all liabilities and obligations for the executive retention bonuses and any other retention bonuses accrued in the normal course of business but only to the extent of such amounts set forth on Schedule 1.3(k) and applicable to the employees identified thereon, subject to the Net Working Capital adjustment as provided in Section 2.2(a) which will include any such retention bonuses accrued on a monthly basis up to the Effective Time, as consistent with Section 6.2(m);

(l) the following assumed liabilities: (i) those liabilities specifically identified on Sellers' Financial Statements (defined below) under the category of (A) "Current Liabilities": "Due to third parties" (i.e., associated with Sellers' cost reports) and (B) "Long Term Liabilities/ Other Liabilities": (ii) those liabilities associated with Sellers' "Other Postretirement Benefits (FAS 106)" (other than the DB Pension Plan), "Long-term lease incentive", "Long-term accrued sick pay" and "Other Liabilities" (to the extent specified), and (iii) any liabilities or obligations to former employees of any Seller and their dependents for ongoing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") existing under or with respect to the Sellers' group health plan as of the Closing Date, provided that in each case above, Buyers are only assuming such liabilities to the extent specifically set forth on Schedule 1.3(l) (collectively, "Other Assumed Liabilities") and subject to the assumptions, limitations and conditions stated therein; and

(m) all employment related liabilities and obligations incurred by Buyers after the Effective Time, including but not limited to any liability resulting from Buyer's termination of any employees or other employment-related action of Buyer.

1.4. Excluded Liabilities. Except for the Assumed Liabilities, Buyers shall not assume and under no circumstances shall Buyers be obligated to pay or assume, and none of the assets of Buyers shall be or become liable for or subject to any liability, indebtedness, commitment, or obligation of Sellers, whether known or unknown, fixed or contingent, recorded or unrecorded, currently existing or hereafter arising or otherwise (collectively, the "Excluded Liabilities"), including the following Excluded Liabilities, which shall not, in any case, include any liabilities that are subject to the Net Working Capital adjustment set forth in Section 2.2:

(a) any obligations or liability under any tax exempt or other bonds or any other debt, note, obligation, expense or liability that is not an Assumed Liability;

(b) liabilities with respect to claims or potential claims for medical malpractice, premises liability, directors and officers liability, general liability or other claims to the extent arising out of events occurring prior to the Effective Time, subject to Buyers' obligation to maintain certain insurance coverage as further described in Section 11.23 and provided that Buyers shall not be liable for any liabilities not covered by such insurance;

(c) those claims and obligations (if any) specified in Schedule 1.4(c) hereto;

(d) any liabilities or obligations to the extent arising out of or otherwise associated with any of the Excluded Assets, including among others, the research and other grants constituting Excluded Assets under Section 1.2(k);

(e) those liabilities and obligations of any Seller in excess of what is included in the calculation of Net Working Capital, as described further in Section 2.2 of this Agreement, and with respect to any period prior to the Effective Time arising under the terms of the Medicare, Medicaid, CHAMPUS/TRICARE, Blue Cross, or other third party payor programs including any liabilities with respect to CMS Recovery Audit Contractor actions, and other billing and/or compliance matters involving other audit/review agencies and organizations;

(f) federal, state or local tax liabilities or obligations of any Seller with respect to periods prior to the Effective Time or resulting from the consummation of the transactions contemplated herein, including any income tax, any franchise tax, any tax recapture, any FICA, FUTA, workers' compensation and any and all other taxes or amounts due and payable as a result of the exercise by its employees of such employee's right to vacation, sick leave, and holiday benefits accrued while in the employ of Sellers;

(g) liability for any and all claims by or on behalf of any employee or former employee (including any retiree) of Sellers to the extent arising out of or related to acts, omissions, events or occurrences prior to the Effective Time, including liability (other than those expressly assumed pursuant to Section 1.3) for any pension or profit sharing plans, deferred compensation, supplemental executive retirement plan, group health, life insurance, disability insurance or any other employee health and welfare benefit plans, liability for any EEOC claim, ADA claim, FMLA claim, wage and hour claim, unemployment compensation claim, or workers' compensation claim, and any liabilities or obligations to former employees of any Seller under COBRA (provided, however, that this Section 1.4(g) shall not apply to any employee benefits claims or obligations constituting Assumed Liabilities under Section 1.3 hereof);

(h) any obligation or liability accruing, to the extent arising out of, or relating to any federal, state or local investigations of, or claims or actions against, any Seller or any of such Seller's Affiliates or any of its employees, medical staff, or agents with respect to acts or omissions occurring prior to the Effective Time, including, without limitation, with respect to federal 340B prescription drug program audits and investigations by Health Resources and Service Administration, Office of Pharmacy Affairs;

(i) any civil or criminal obligation or liability accruing, to the extent arising out of, or relating to any acts or omissions of any Seller, its Affiliates or their directors, officers, employees and agents claimed to violate any constitutional provision, statute, ordinance or other law, rule, regulation, interpretation or order of any Government Entity;

(j) liabilities or obligations to the extent arising as a result of any breach by any Seller at any time of any contract or commitment that is not assumed by any Buyer, or any breach by any Seller prior to the Effective Time of any Contract assumed by Buyers;

(k) any obligation or liability asserted under the federal Hill-Burton program or other restricted grant and loan programs with respect to the ownership or operation of the System or the Assets;

(l) any obligations or any liability under any tax exempt or other bonds or any other debt, obligation, expense, or liability of any Seller arising out of or incurred solely as a result of any transaction of such Seller occurring after the Effective Time; and

(m) any other liabilities or obligations with respect to claims, actions, suits, proceedings, or investigations against or related to any Seller, the System or the Assets, at law or in equity, before or by any federal, state or municipal court or other governmental agency, department, commission, board, bureau or instrumentality wherever located with respect to acts or omissions occurring prior to the Effective Time;

(n) any obligation or liability with respect to (i) any proceeding relating to the compliance or noncompliance with Environmental Laws (defined below); (ii) the presence, generation, management, storage, disposal, release (or threatened release), escape, seepage, leakage or clean-up of any Hazardous Substances at, on, in, emanating from or under all or a portion of any part of the Assets or Real Property in violation of any Environmental Laws; (iii) the migration of any Hazardous Substance from any of the Assets or Real Property to any other property or onto the Real Property from any property or area adjacent to the Real Property; (iv) the past treatment, removal, disposal, storage, decontamination or clean-up of any Hazardous Substances or the transportation of any Hazardous Substances onto or from the Assets or Real Property; (v) the incorporation of any Hazardous Substances into the Real Property; and (vi) any activity carried on or undertaken on the Real Property in connection with the treatment, elimination and removal of any Hazardous Substance, in each case regardless of whether any claim was caused by action or inaction of the Sellers, a prior owner of the Real Property, or any other person whatsoever, except for any claim relating solely and exclusively to Hazardous Substances first introduced to the Real Property by the actions of Buyers or, Hazardous Substances that did not exist or occur at the Real Property prior to the Effective Time; and

(o) all liabilities and obligations of any Seller relating to any oral agreements, oral contracts or oral understandings with any referral sources including, but not limited to, physicians, unless reduced to writing and expressly assumed as part of the Contracts.

2. PURCHASE PRICE.

2.1. Purchase Price.

(a) **Purchase Price.** The purchase price (the "Purchase Price") for the Assets shall be Three Hundred Million Dollars (\$300,000,000.00), with the following adjustments: (i) plus the amount of the Final Net Working Capital, as defined in Section 2.2(b) below, as of the Effective Time; (ii) minus the amount of any capital/financing lease obligations that are assumed by any Buyer and identified on Schedule 1.3(b) hereto (excluding any portion of such liabilities included in the Net Working Capital calculation); (iii) minus One Hundred Twenty Million Dollars (\$120,000,000.00) if the Net Pension Liability assumed by any Buyer pursuant to Section 2.4(a) equals or exceeds One Hundred Ten Million Dollars (\$110,000,000.00), provided that if the amount of the Net Pension Liability as of the Effective Time is less than One Hundred Ten Million Dollars (\$110,000,000.00), then the deduction under this subsection (iii) shall be equal to One Hundred Twenty Million Dollars (\$120,000,000.00) less 50% of the

amount by which the actual Net Pension Liability as of the Effective Time is less than One Hundred Ten Million Dollars (\$110,000,000.00); (iv) minus the amount of Other Assumed Liabilities that are assumed by any Buyer and identified on Schedule 1.3(l); (v) minus a deduction of Fifteen Million Dollars (\$15,000,000.00) for Buyers costs to obtain the "prior acts" professional and general liability insurance coverage referenced in Section 11.23 below; (vi) minus the additional deductions listed on Schedule 2.1(a); and (vii) minus any credits against the Purchase Price issued pursuant to the terms of Section 8.3(a) or Section 8.3(d). As part of the Purchase Price, Buyers shall also assume the Assumed Liabilities. The Purchase Price shall initially be calculated as of the Closing ("Estimated Purchase Price") based upon the Estimated Net Working Capital (as defined in Section 2.2(b)) and Estimated Other Adjustments (as defined in Section 2.3), subject to adjustment after the Closing in accordance with Section 2.2(b) to reflect the Final Net Working Capital (as defined in Section 2.2(b)) and in accordance with Section 2.3 to reflect the Final Other Adjustments (as defined in Section 2.3). Buyers shall pay the Estimated Purchase Price to Sellers at the Closing by wire transfer of immediately available funds to an account designated by Sellers, subject to Buyers' direct funding at Closing of Sellers' pension liabilities pursuant to Section 2.4(b).

(b) **Restricted Fund.** At Closing, Sellers shall cause the Foundation's governing body to set aside and maintain at least Fifteen Million Dollars (\$15,000,000.00) (the "Restricted Fund") to secure Sellers' and Foundation's obligations to Buyers, which Restricted Fund shall not be reduced, transferred, expended or otherwise utilized except as expressly permitted pursuant to this Section 2.1, and which Restricted Fund amount shall not be construed as a cap or other limitation on Sellers' and/or Foundation's indemnification or other liability to Buyers. Without limiting any of Buyers' rights or other legal or equitable remedies, the Buyers shall have the right to, upon prior written notice to the Foundation, request payment from the available Restricted Fund of any liabilities of one or more Sellers with respect to any matter which is subject to the Sellers' indemnification obligations, pursuant to the procedures and provisions of Article 13, whether arising before or after the Effective Time and irrespective of when asserted or finally determined.

(c) **Sunsetting of Restricted Funds.** Except as otherwise provided below, at the expiration of the first anniversary of the Effective Time, the unapplied balance of the Restricted Fund shall be reduced to Ten Million Dollars (\$10,000,000.00); at the expiration of the second anniversary of the Effective Time, the unapplied balance of the Restricted Fund shall be reduced to Five Million Dollars (\$5,000,000.00); and at the expiration of the third anniversary of the Effective Time, the unapplied balance of the Restricted Fund shall be reduced to Zero Dollars (\$0.00); provided, however, that if any claim by Buyers that is within the coverage of the Restricted Fund is in dispute between the Buyers and Sellers with respect thereto and has not been resolved by the expiration of any anniversary of the Effective Time subsequent to the filing of such claim, then the Sellers shall cause the Foundation to continue to maintain the unapplied balance of the Restricted Fund on each such anniversary date to the extent of such claim until final resolution of such dispute. During the pendency of any resolution of such dispute, no other claims may be made against the Restricted Fund after the expiration of the third anniversary of the Effective Time. For the avoidance of doubt, recognizing that the Restricted Fund balance may be insufficient to satisfy Buyers' claims for indemnification or any other liability of Sellers'

and/or Foundation to Buyers, Buyers may pursue claims at any time against the Foundation and/or Sellers and their respective remaining assets (other than restricted endowments) as applicable, subject to Section 13.6 below.

2.2. Net Working Capital, Estimates and Audits.

(a) **Net Working Capital.** As used herein, the term "Net Working Capital" shall mean (i) the sum of the following "current assets" of Sellers, as such terms are defined on Sellers' Financial Statements: all accounts receivable including patient receivables (less accounts deemed uncollectible), supplies, inventories and prepaid expenses (but excluding any Excluded Assets that would otherwise be included in the foregoing), (ii) minus accounts payable and accrued expenses of Sellers that are assumed by any Buyer pursuant to Section 1.3(e) hereof (excluding any Excluded Liabilities that would otherwise be included in accounts payable and accrued expenses), all as determined in accordance with generally accepted accounting principles ("GAAP"). For purposes of the computation of Net Working Capital, the current portion of accrued paid time off and sick time benefits with respect to the Hired Employees that are assumed by any Buyer under Section 1.3(f) shall be included in accounts payable and accrued expenses.

(b) **Net Working Capital Estimates and Final Adjustments.** Schedule 2.2(b) sets forth a sample calculation of Net Working Capital using Sellers' most recent audited Financial Statements as of June 30, 2015, all determined in accordance with GAAP and consistent with past practice. Not more than ten (10) but in no event less than five (5) business days prior to the Closing, Sellers shall deliver to Buyers a good faith estimate of the Net Working Capital as of the Effective Time following the same principles, specifications and methodologies used to determine the foregoing sample calculation of Net Working Capital as set forth on Schedule 2.2(b), based on the most recent Interim Statements (the "Estimated Net Working Capital") except with respect to counting and valuing inventory and supplies, as described in more detail below. The Estimated Net Working Capital shall be used for purposes of calculating the Estimated Purchase Price payable as of the Closing and shall be subject to prior good faith review and comment by Buyers. No later than ninety (90) days after the Closing, Buyers shall deliver to Sellers their determination of the final Net Working Capital as of the Effective Time (following the same principles, specifications and methodologies used to determine the Estimated Net Working Capital) (the "Final Net Working Capital"). Sellers shall have full access to Buyers' Books and Records pertaining to the Assets and the System to confirm or audit the Final Net Working Capital computations. In the event Sellers disagree with Buyers' determination of Final Net Working Capital, Sellers shall notify Buyers within sixty (60) days after Buyers' delivery of their determination of Final Net Working Capital. If Sellers and Buyers fail to agree within thirty (30) days after Sellers' delivery of notice of disagreement on the amount of Final Net Working Capital, such disagreement shall be resolved in accordance with the procedure set forth in Section 2.2(c) which shall be the sole and exclusive remedy for resolving accounting disputes relative to the determination of Final Net Working Capital. The Purchase Price shall be: (i) increased to the extent of the positive difference of Final Net Working Capital minus Estimated Net Working Capital; or (ii) decreased by the absolute value of the negative difference of Final Net Working Capital minus Estimated Net Working Capital,

and within five (5) business days after determination thereof any increase in the Purchase Price shall be paid in cash by Buyers to Sellers, and any decrease in the Purchase Price shall be paid in cash by Sellers to Buyers. Notwithstanding the foregoing, the portion of Net Working Capital constituting the value of inventory and supplies shall be determined based on a physical count conducted by Sellers on a date not more than five (5) business days before the Closing Date. Sellers shall give Buyers at least five (5) business days prior notice of the date of the count and permit Buyers to monitor the count. Sellers shall count the usable items of inventory and supplies that are not damaged, obsolete, or slow moving, and that are of a type, quality and quantity that may be used in the ordinary course of business of the Sellers (having due regard for the services offered by the Sellers). Sellers shall conduct the count in the same manner that Sellers conducted the count of, and will count the same classes and categories of items that Sellers counted to determine the value of, inventory and supplies in the most recent audited Financial Statements. Upon completion of the count, Sellers shall determine the value of the inventory and supplies (determined by the lower of cost or market on a first in, first out basis). If the results of the count and the resulting value of inventory and supplies are available by Closing, then, for purposes of the Estimated Net Working Capital calculation, the portion of Net Working Capital attributable to inventory and supplies will be the value determined pursuant to the count (updated for actual usage and purchases between the date of the count and the Closing Date). If the results of the count or the resulting value of inventory and supplies are not available by Closing, then for purposes of the Estimated Net Working Capital calculation, the value of the inventory and supplies will be the amount set forth in the most recent Interim Statements and the value of the inventory and supplies determined pursuant to the count (updated for actual usage and purchases between the date of the count and the Closing Date) will be utilized for purposes of determining Final Net Working Capital.

(c) **Dispute of Adjustments.** In the event that Sellers and Buyers are not able to agree on the Final Net Working Capital within thirty (30) days after Sellers' delivery of notice of disagreement, Sellers and Buyers shall each have the right to require that such disputed determination be submitted to CliftonLarsonAllen LLC (the "Accounting Firm"), for computation or verification in accordance with the provisions of this Agreement. The Accounting Firm shall review the matters in dispute and, acting as arbitrators, promptly shall decide the proper amounts of such disputed entries (which decision shall also include a final calculation of the Final Net Working Capital). The submission of the disputed matter to the Accounting Firm shall be the exclusive remedy for resolving accounting disputes relative to the determination of Net Working Capital. The Accounting Firm's determination shall be binding upon Sellers and Buyers. The Accounting Firm's fees and expenses shall be borne equally by Sellers and Buyers.

2.3. Other Adjustments, Estimates and Audits. Schedule 2.3 sets forth a sample calculation of:

(a) the capital/financing lease obligations that are assumed by any Buyer and identified on Schedule 1.3(b) hereto (excluding any portion of such liabilities included in the Net Working Capital calculation);

(b) the amount of Net Pension Liability assumed by any Buyer pursuant to Section 2.4(a) and the related deduction under Section 2.1(a)(iii) subject to the limits and modifications thereunder; and

(c) the amount of Other Assumed Liabilities that are assumed by any Buyer and identified on Schedule 1.3(I).

(collectively, the "Other Adjustments"), all using Sellers' most recent audited Financial Statements as of June 30, 2015 and all determined in accordance with GAAP and consistent with past practice. Not more than ten (10) but in no event less than five (5) business days prior to the Closing, Sellers shall deliver to Buyers a good faith estimate of the Other Adjustments as of the Effective Time following the same principles, specifications and methodologies used to determine the foregoing sample calculation of the Other Adjustments as set forth on Schedule 2.3, and where actuarially determined, based on the most recent Interim Statements (the "Estimated Other Adjustments"). The Estimated Other Adjustments shall be used for purposes of calculating the Estimated Purchase Price payable as of the Closing and shall be subject to prior good faith review and comment by Buyers. No later than ninety (90) days after the Closing, Buyers shall deliver to Sellers their determination of the final Other Adjustments as of the Effective Time (following the same principles, specifications and methodologies used to determine the Estimated Other Adjustments) (the "Final Other Adjustments"). Sellers shall have full access to Buyers' Books and Records pertaining to the Assets and the System to confirm or audit the Final Other Adjustments computations. In the event Sellers disagree with Buyers' determination of Final Other Adjustments, Sellers shall notify Buyers within sixty (60) days after Buyers' delivery of their determination of Final Other Adjustments. If Sellers and Buyers fail to agree within thirty (30) days after Sellers' delivery of notice of disagreement on the amount of Final Other Adjustments, such disagreement shall be resolved in accordance with the same procedures as set forth in Section 2.2(c) for resolving Net Working Capital disputes, which shall be the sole and exclusive remedy for resolving accounting disputes relative to the determination of Final Other Adjustments. The Purchase Price shall be: (i) decreased to the extent of the positive difference of Final Other Adjustments minus Estimated Other Adjustments; or (ii) increased by the absolute value of the negative difference of Final Other Adjustments minus Estimated Other Adjustments, and within five (5) business days after determination thereof any increase in the Purchase Price shall be paid in cash by Buyers to Sellers, and any decrease in the Purchase Price shall be paid in cash by Sellers to Buyers.

2.4. Pension Funding.

(a) **Pension Liability.** Buyers agree to become the sponsor of, and assume, as of the Effective Time, the Crozer-Keystone Health System Employees Retirement Plan, an employee non-contributory, defined benefit pension plan (the "DB Pension Plan") and therewith all of the assets and the liability, less the Sellers' Pension Plan Contribution defined in Section 2.4(b) below ("Net Pension Liability"), all subject to the specific actuarial assumptions and all other terms, conditions and provisions as specifically set forth on Schedule 2.4 hereto.

(b) **Funding by Sellers.** At Closing and subject to such contribution being permissible under the Code without giving rise to penalties or other adverse consequences to

Sellers, Sellers shall pay, out of the Purchase Price, One Hundred Million Dollars (\$100,000,000.00) to fund, in part, the underfunded DB Pension Plan liability then outstanding ("Pension Plan Contribution"). Such Pension Plan Contribution shall be designated as a prefunding payment. If Sellers reasonably determine such payment would result in penalties or other adverse consequences to Sellers under the Code, then Sellers shall make such payment directly to Buyers outside the DB Pension Plan. Upon reasonable prior notice from Buyers to Sellers, and absent timely objection by Sellers, Buyers may elect to pay Sellers' Pension Plan Contribution directly, on Sellers' behalf, at Closing out of the Purchase Price payable to Sellers.

(c) **Post-Closing Commitment.** Within five (5) years after the Effective Time and subject to applicable filing and authorization by the applicable Government Entity, Buyers shall adopt a plan amendment to terminate the DB Pension Plan effective within such five (5) year period and thereafter, in accordance with applicable law, shall liquidate, fully fund and satisfy, and pay all benefits owed to participants and beneficiaries of, the DB Pension Plan by providing for lump sum distributions to participants, purchasing annuities for participants who do not elect a lump sum distribution or otherwise in accordance with the terms, conditions and provisions of the DB Pension Plan (as in effect at the Effective Time) and with applicable law.

(d) **PBGC Matters.** Sellers and Buyers agree to cooperate in connection with any pre-Closing inquiry, investigation, audit or other proceeding of, or by, the Pension Benefit Guaranty Corporation ("PBGC"), including without limitation formulating and implementing any amendments to this Agreement as may be required by the PBGC in connection with the assignment, assumption, funding and termination of the DB Pension Plan. Sellers shall be responsible for any pension costs associated with any of the foregoing matters.

2.5. Tax Prorations. Subject to Section 14.9(iii), all real property Taxes, personal property Taxes, or ad valorem obligations or assessments and any similar Taxes or fees on the Assets and Assumed Liabilities for taxable periods ending prior to the Effective Time shall be paid for by Sellers. All real property Taxes, personal property Taxes, or ad valorem obligations or assessments and any similar Taxes or fees on the Assets and Assumed Liabilities for taxable periods beginning on or before, and ending on or after, the Effective Time, shall be prorated between Buyer and Sellers based on the number of days of such taxable period up to and including the Closing Date (which shall be for the account of Sellers) and the number of days of such taxable period after the Closing Date (which shall be for the account of Buyer). All real property Taxes, personal property Taxes, or ad valorem obligations or assessments and any similar Taxes or fees on the Assets and Assumed Liabilities for taxable periods commencing on the Effective Time shall be paid for by Buyer. Any real property Taxes, personal property Taxes, or ad valorem obligations or assessments and any similar Taxes or fees on the Assets and Assumed Liabilities which are due and payable in installments on or after the Effective Date shall be paid for by Buyers. Any real property Taxes, personal property Taxes, or ad valorem obligations or assessments and any similar Taxes or fees on the Assets and Assumed Liabilities which are due and payable in installments prior to the Effective Date shall be paid for by Sellers, provided any which are for the installment period in which Closing occurs, shall be prorated between Buyers and Sellers for such installment period. The foregoing provisions shall only

apply to Real Property which is Owned Real Property. Notwithstanding anything the contrary herein, this Section 2.5 and the prorations described herein shall not apply to any Taxes, obligations, assessments or fees to the extent included in Net Working Capital and subject to the adjustments described in Section 2.2.

2.6. Net Operating Loss Reconciliation. To the extent Buyers acquire the stock, shares or other ownership or beneficial interest in any for profit Affiliates of Sellers as listed on Schedule 1.1(o) that have net operating loss carryovers ("NOLs") as of the Effective Time, Buyers shall pay to Sellers as additional Purchase Price an amount equal to fifty percent (50%) of the reduction in federal income tax liability attributable to deductions taken on account of the NOLs of such for profit Affiliates of Sellers that were in existence as of the Effective Time. Such payments, if any, shall be made by Buyers to Sellers within one hundred and eighty (180) days of filing of the federal income tax return wherein such NOL deductions are taken.

2.7. Allocation of Purchase Price. The Purchase Price shall be allocated among the various classes of Assets in accordance with and as provided by Section 1060 of the Internal Revenue Code (the "Code"). At least sixty (60) days prior to the Closing, Buyers shall provide Sellers with a preliminary allocation of the Purchase Price for Sellers' review and approval. The Parties agree that any tax returns or other tax information they may file or cause to be filed with any Government Entity shall be prepared and filed consistently with such agreed upon allocation. In this regard, the Parties agree that, to the extent required, they will each properly prepare and timely file Form 8594 in accordance with Section 1060 of the Code.

2.8. Sellers Tenant Leases Rent Prorations. Any rent, additional rent or other sums payable or paid in or for the month in which Closing occurs under or pursuant to any Sellers Tenant Leases shall be prorated between Buyers and Sellers as of the Effective Time on a per diem basis for such month. After Closing, if any additional sums are due from the tenant to the landlord under any Sellers Tenant Lease or to the tenant from the landlord under any Sellers Tenant Lease for a period of time during which the Closing occurred, then such amount shall be prorated between Buyers and Sellers as of the Effective Time with Buyers obligated to pay, or entitled to receive, such sums from and after the Effective Time and Sellers obligated to pay, or entitled to receive, such sums prior to the Effective Time. If the landlord gives a credit against future rent or other sums payable under any Sellers Tenant Lease, any portion of which belongs to Sellers pursuant to the foregoing, Buyers shall be obligated to pay such sum to Sellers in cash. Any and all such sums due to or from one Party to another, shall be paid in ten (10) business days from the receipt of written demand for the same. The terms hereof shall survive Closing. Notwithstanding anything the contrary herein, this Section 2.8 and the prorations described herein shall not apply to any rent, additional rent or other sums payable to the extent included in Net Working Capital and subject to the adjustments described in Section 2.2.

3. CLOSING.

3.1. Closing. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "Closing") shall take place on the last day of the month immediately after all of the conditions precedent to Closing set forth herein are either satisfied or waived (other than conditions which, by their nature, are to be

satisfied on the Closing Date), but no later than sixty (60) days after receipt of all necessary regulatory approvals as set forth herein, or on such other date as Sellers and Buyers may mutually agree in writing. The date on which the Closing is to occur is herein referred to as the "Closing Date." Subject to the satisfaction on the Closing Date of all conditions which, by their nature, are to be satisfied on the Closing Date, including payment of the Purchase Price by Buyers as described in Section 3.3, the Closing shall be effective as of 12:00:01 a.m., Eastern Time, on the first calendar day of the month immediately following the Closing Date (the "Effective Time").

3.2. Actions of Sellers at Closing. At the Closing and unless otherwise waived in writing by Buyers, Sellers shall deliver to Buyers the following:

(a) Deeds containing special warranty of title, fully executed by the appropriate Seller in recordable form, conveying to the appropriate Buyer fee title to the Owned Real Property pursuant to the terms of Section 8.3 of this Agreement;

(b) A General Assignment, Conveyance and Bill of Sale in substantially the form attached hereto as Exhibit C, fully executed by the appropriate Seller, as applicable, conveying to the appropriate Buyer title to all assets which are a part of the Assets;

(c) An Assignment and Assumption Agreement in substantially the form attached hereto as Exhibit D (the "Assignment and Assumption Agreement"), fully executed by the appropriate Seller, conveying to the appropriate Buyer such Seller's interest in the Contracts (other than the Real Property Leases);

(d) An Assignment and Assumption of Leases in substantially the form attached hereto as Exhibit E (the "Lease Assignment and Assumption Agreement"), fully executed by the appropriate Seller, conveying to the appropriate Buyer such Seller's interest in all Sellers Tenant Leases and all Sellers Landlord Leases (Sellers Tenant Leases and Sellers Landlord Leases collectively, the "Real Property Leases");

(e) An Assignment and Assumption of Licenses in substantially the form attached hereto as Exhibit F (the "License Assignment and Assumption Agreement"), fully executed by the appropriate Seller, conveying to the appropriate Buyer such Seller's interest in all assignable Licenses (as defined in Section 4.6 hereof);

(f) An Assignment and Assumption of Pension Plan Obligations in substantially the form attached hereto as Exhibit G (the "DB Pension Plan Assignment and Assumption Agreement"), fully executed by the appropriate Seller, conveying to the appropriate Buyer such Seller's interest in all of the assets and liabilities of the DB Pension Plan;

(g) An Assignment and Assumption of Benefit Plan Obligations (other than the DB Pension Plan) in substantially the form attached hereto as Exhibit H (the "Benefit Plan Assignment and Assumption Agreement"), fully executed by the appropriate Seller, conveying to the appropriate Buyer such Seller's interest in all of the assets and certain liabilities of the assignable Benefit Plans (other than the DB Pension Plan) assumed by Buyers hereunder;

(h) The Transition Services Agreement in substantially the form attached hereto as Exhibit I (the "Transition Services Agreement"), fully executed by the appropriate Seller(s) (as described in Section 11.11 hereof);

(i) All instruments and documents reasonably and customarily required by the Title Company (as defined in Section 8.3 hereof) to issue the Title Policy (as defined in Section 8.3 hereof) as described in and provided by Section 8.3 hereof;

(j) Copies of resolutions duly adopted by the Board of Directors or other governing body, as applicable, of each of the Sellers, authorizing and approving its performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein on such Sellers' behalf, certified as true and of full force as of the Closing, by the appropriate officers of each Seller;

(k) Certificates of the Chief Executive Officer, President or a Vice President of each Seller, certifying that each covenant and agreement of such Seller to be performed prior to or as of the Closing pursuant to this Agreement has been performed in all material respects and each representation and warranty of such Seller is true, accurate and complete in all material respects on the Closing Date, as if made on and as of the Closing;

(l) Certificates of incumbency for the respective officers of each Seller executing this Agreement (or the Indemnification Agreement attached hereto as Exhibit K) or making certifications for the Closing dated as of the Closing Date;

(m) Certificates of existence and good standing of each Seller from the state in which it is incorporated, dated the most recent practical date prior to the Closing;

(n) All forms required for the termination of any assumed names of each Seller used in the operation of the System and registered with the Commonwealth of Pennsylvania, fully executed by the appropriate Seller;

(o) Documentation of all Material Consents (as defined in Section 8.7);

(p) All certificates of title and other documents evidencing an ownership interest conveyed as part of the Assets;

(q) the Indemnification and Restrictive Covenant Agreement attached hereto as Exhibit K fully executed by the Foundation and complete copies of the Statement of Merger and Plan of Merger (with all attachments thereto) associated with the merger of Delco Foundation into Crozer Foundation pursuant to Section 6.13; and

(r) Such other instruments and documents as any Buyer reasonably deems necessary to effect the transactions contemplated hereby.

3.3. Actions of Buyers at Closing. At the Closing and unless otherwise waived in writing by Sellers, Buyers shall deliver to Sellers the following:

(a) An amount equal to the Estimated Purchase Price in immediately available funds to an account (or accounts) designated by Sellers prior to Closing, subject to Buyers' election to directly pay Seller's DB Pension Plan Contribution in accordance with Section 2.4(b);

(b) An Assignment and Assumption Agreement, fully executed by the appropriate Buyer, pursuant to which such Buyer shall assume the future performance of the Contracts as herein provided;

(c) A Lease Assignment and Assumption Agreement, fully executed by the appropriate Buyer, pursuant to which such Buyer shall assume the future performance of the Real Property Leases as herein provided;

(d) A License Assignment and Assumption Agreement, fully executed by the appropriate Buyer, pursuant to which such Buyer shall assume the future performance of the Licenses as herein provided;

(e) A DB Pension Plan Assignment and Assumption Agreement in substantially the form attached hereto as Exhibit G, fully executed by the Buyers, pursuant to which such Buyers shall assume such Seller's interest and obligations in all of the assets and liabilities of the DB Pension Plan;

(f) A Benefit Plan Assignment and Assumption Agreement (other than the DB Pension Plan) in substantially the form attached hereto as Exhibit H, fully executed by the Buyers, conveying to the appropriate Buyer the interests of Sellers' in all assignable Benefit Plans (other than the DB Pension Plan) assumed by Buyers hereunder;

(g) The Transition Services Agreement in substantially the form attached hereto as Exhibit I, fully executed by the appropriate Buyer(s) (as described in Section 11.11 hereof);

(h) Copies of resolutions duly adopted by the governing bodies of each of Prospect and PMH, authorizing and approving its performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force as of the Closing, by the appropriate officers of each of Prospect and PMH;

(i) Certificates of an executive officer of Buyers certifying that each covenant and agreement of each Buyer to be performed prior to or as of the Closing pursuant to this Agreement has been performed in all material respects and each representation and warranty of each Buyer is true, accurate and complete in all material respects on the Closing Date, as if made on and as of the Closing;

(j) Certificates of incumbency for the respective officers of each of Buyers executing this Agreement or making certifications for the Closing dated as of the Closing Date;

(k) the Indemnification and Restrictive Covenant Agreement attached hereto as Exhibit K fully executed by PMH and Prospect; and

(l) Such other instruments and documents as any Seller reasonably deems necessary to effect the transactions contemplated hereby.

4. REPRESENTATIONS AND WARRANTIES OF SELLERS.

As of the date hereof, as updated pursuant to Section 11.1, and as of the Closing Date, Sellers jointly and severally represent and warrant to each of the Buyers the following:

4.1. **Existence and Capacity.** Each Seller is validly existing in good standing under the laws of the Commonwealth of Pennsylvania, in the corporate form and taxable or tax-exempt status specified on Schedule 4.1. Each Seller has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to conduct its business as now being conducted in each jurisdiction where such business is conducted.

4.2. **Powers; Consents; Absence of Conflicts With Other Agreements, Etc.** The execution, delivery, and performance of this Agreement by each Seller, and all other agreements referenced herein, or ancillary hereto, to which any Seller is a party, and the consummation of the transactions contemplated herein by each Seller:

(a) are within its corporate powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate corporate action;

(b) except as provided in Section 6.4 and Section 6.5 below, do not require any approval or consent of, or filing with, any Government Entity or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

(c) except as set forth on Schedule 4.2, will neither conflict with, nor result in any breach or contravention of, or the creation of any lien, charge, or encumbrance under, any indenture, agreement, lease, instrument or understanding to which it is a party or by which it is bound;

(d) will not violate any statute, law, rule, or regulation of any Government Entity to which any Seller or the Assets may be subject; and

(e) will not violate any judgment, decree, writ or injunction of any court or Government Entity to which any Seller or the Assets may be subject.

4.3. **Binding Agreement.** This Agreement and all agreements to which any Seller will become a party pursuant hereto are and will constitute the valid and legally binding

obligations of each such Seller, and are and will be enforceable against each Seller in accordance with the respective terms hereof or thereof.

4.4. Financial Statements.

(a) Sellers have delivered to Buyers copies of the following financial statements of or pertaining to Sellers ("Financial Statements"), which Financial Statements are maintained on an accrual basis, and copies of which are attached hereto as Schedule 4.4(a):

(i) Audited Consolidated Balance Sheets, Income Statements, and Statements of Cash Flows for Sellers for the fiscal years ended June 30, 2015 (the "Balance Sheet Date"), June 30, 2014, and June 30, 2013, together with the notes thereto and the audit report thereon by Sellers' independent auditors;

(ii) Unaudited Consolidated Balance Sheets for the Sellers, dated as of November 30, 2015; and

(iii) Unaudited Consolidated Income Statements for Sellers for the five-month period ended on November 30, 2015.

(b) The Financial Statements are true, accurate and complete and present fairly in all material respects the financial condition and results of operations of Sellers as of the dates indicated thereon, and for the periods indicated therein. The Financial Statements have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated, except as may be specified in Schedule 4.4(b). The Sellers have heretofore provided Buyers with copies of all annual management letters with respect to the Sellers from their independent certified public accountants for each of the last three fiscal years to the extent issued.

(c) Except as set forth in Schedule 4.4(c), all Accounts Receivable of Sellers reflected on the Financial Statements constitute *bona fide* receivables resulting from a *bona fide* sale to a patient or customer in the ordinary course of business, the amount of which was actually due on the date thereof and has been collected, or which Sellers, as of the Effective Time, are using reasonable efforts to collect, in the ordinary course of business. The Books and Records of the Sellers state correctly the facts with respect to each of the Accounts Receivable of Sellers and the balance due thereon. Each payment reflected in such Books and Records as having been made on each such Account Receivable was made by the respective account debtor and not directly or indirectly by any director, officer, employee or agent of any of the Sellers. Each document and instrument evidencing, securing or relating to each Account Receivable, including, without limitation, each insurance policy, certificate, bill or statement, is correct and complete in all respects, is genuine and valid and is enforceable in accordance with its terms. There are no defenses, claims of disabilities, counterclaims, offsets, refusals to pay or other rights of setoff against any Accounts Receivable and there is no threatened, intended or proposed defense, claim of disability, counterclaim, offset, refusal to pay or other right of setoff with respect thereto. Each Account Receivable, each document and instrument and each transaction underlying or relating thereto conforms in all material respects, including, without

limitation, in respect of interest rates charged, notices given and disclosures made, to the requirements and provisions of each applicable law, rule, regulation or order relating to credit, consumer credit, credit practices, credit advertising, credit reporting, retail installment sales, credit cards, collections, usury, interest rates and truth-in-lending, including, without limitation, the Federal Truth in Lending Act, as amended, and Regulation Z issued by the Board of Governors of the Federal Reserve System thereunder. Accounts Receivable reserve allowances have been established on the basis of historical experience in accordance with GAAP consistently applied (which reserves and allowances are set forth in Schedule 4.4(c)).

(d) Except as set forth in the Financial Statements, or as otherwise set forth on Schedule 4.4(d), there are no contingent or other liabilities or obligations which have, or with reasonable foreseeability may have, a Material Adverse Effect (as defined in Section 14.17) on any Seller or their respective business or operations.

4.5. Certain Post-Balance Sheet Results. Except as set forth in Schedule 4.5 hereto, since June 30, 2015 there has not been any:

(a) material damage, destruction, or loss (whether or not covered by insurance) affecting the System or the Assets;

(b) any event, change or occurrence which has or could reasonably be expected to have a Material Adverse Effect;

(c) threatened employee strike, work stoppage or labor dispute within the System, as further described in Section 4.18(a), except as set forth on Schedule 4.18(a);

(d) sale, assignment, transfer, or disposition of any item of property, plant or equipment included in the Assets having a value in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00) (other than supplies), except in the ordinary course of business or with a comparable replacement thereof;

(e) general increases in the compensation payable by any Seller to any of its employees or any general increase in, or general institution of, any bonus, insurance, pension, profit-sharing or other employee benefit plan, remuneration or arrangements made to, for or with such employees, other than those increases in compensation or the general institution of any bonus, insurance, pension, profit-sharing arrangement, other employee benefit plan, remuneration or arrangement required under any collective bargaining agreement or otherwise made in the ordinary course of business by any Seller;

(f) changes in the composition of the medical staffs of the two licensed Hospitals or other facilities operated by Sellers, other than normal turnover occurring in the ordinary course of business;

(g) changes in the rates charged by the Hospitals, its physicians or other providers for their services, other than changes made in the ordinary course of business;

(h) changes in the accounting methods or practices employed by Sellers or changes in depreciation or amortization policies; or

(i) transactions pertaining to the Hospitals or any of the other Assets by any Seller outside the ordinary course of business (other than those contemplated by this Agreement).

4.6. Licenses. Crozer-Chester Medical Center ("CCMC") is duly licensed by the Pennsylvania Department of Health as an acute care hospital with four campuses: (a) the Crozer Medical Center campus ("Crozer Campus"), a tertiary care teaching facility with 300 licensed and 260 staffed beds in Upland, Pennsylvania; (b) Taylor Hospital ("Taylor"), an acute care facility with 105 licensed and staffed beds in Ridley Park, Pennsylvania; (c) Springfield Hospital ("Springfield"), an acute care facility with 25 licensed and staffed beds in Springfield, Pennsylvania; and (d) Community Hospital ("CH"), an outpatient facility that coordinates a full range of outpatient behavioral and community health services in Chester, Pennsylvania. In addition, Delaware County Memorial Hospital ("DCMH") is separately licensed by the Pennsylvania Department of Health as a general acute care hospital with approximately 168 licensed and staffed beds. The pharmacies, laboratories and all other ancillary departments or other healthcare services located at the Hospitals or Sellers' other facilities which are required to be specially licensed are so duly licensed by the appropriate licensing agency pursuant to the laws of the Commonwealth of Pennsylvania. Sellers have all other licenses, registrations, permits, certificates, accreditations, authorizations and approvals which are required by law to operate the Assets and the System (collectively, the "Licenses"). Schedule 4.6 sets forth of all such Licenses, owned or held by Sellers relating to the ownership or operation of the System or the Assets, all of which are in good standing, and none of the foregoing has been revoked or limited, or, to Sellers' knowledge, has been threatened to be revoked or limited.

4.7. Condition of Assets. The Assets constitute the assets which are owned by Sellers or held or used by Sellers in the conduct of the business and operation of the System in the manner conducted as of the date of this Agreement. Schedule 4.7 lists any material defects (which shall include for this purpose all known noncompliance with applicable building and safety codes and all known life safety issues) in the buildings, structures, facilities and major equipment. The furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property currently owned or leased by Sellers are sufficient for the continued conduct of Sellers' business after the Effective Time in substantially the same manner as conducted prior to the Effective Time and constitute substantially all of the rights, property and assets necessary to conduct the business of Sellers as currently conducted.

4.8. Medicare Participation/Accreditation/Registration.

(a) The Hospitals, the employed physicians and other providers within the System, as applicable, are qualified for participation in the Medicare, Medicaid/Medical Assistance and CHAMPUS/TRICARE programs, have current and valid provider numbers and contracts with such programs, are in compliance with the conditions of participation in such programs, and have received all approvals or qualifications necessary for reimbursement. The Hospitals are duly accredited, with no contingencies, by The Joint Commission. A copy of the most recent accreditation letter from The Joint Commission pertaining to each Hospital has been

provided to Buyers. All billing practices of Sellers with respect to the Hospitals, its employed physicians and other providers for all third party payors, including the Medicare, Medicaid and CHAMPUS/TRICARE programs and private commercial insurance companies, have been in compliance with all applicable laws, regulations and policies of such third party payors and the Medicare, Medicaid and CHAMPUS/TRICARE programs, and no Seller has billed or received any payment or reimbursement in excess of amounts allowed by law. No Seller, Hospital, employed physician or other provider has been excluded from participation in the Medicare, Medicaid or CHAMPUS/TRICARE programs, nor to Sellers' knowledge is any such exclusion threatened. None of the officers, directors or employees of Seller have been excluded from participation in the Medicare, Medicaid or CHAMPUS/TRICARE programs. Except as set forth in a writing delivered by Sellers to Buyers and set forth on Schedule 4.8(a), Seller has not received any written notice from any of the Medicare, Medicaid or CHAMPUS/TRICARE programs, or any other third party payor programs of any pending or threatened investigations or surveys.

(b) Each Seller required to be registered (each, for purposes of this paragraph, a "Registered Seller") has registered with My Quality Net (formerly QNet Exchange) and any other quality reporting data exchanges as required by The Centers for Medicare and Medicaid Services ("CMS") under its quality reporting programs (the "Quality Programs"). Each Registered Seller has submitted all quality data required under the Quality Programs to CMS or its agents, and all quality data required under the ORYX Core Measure Performance Measurement System ("ORYX") to The Joint Commission, for all reporting periods concluded prior to the date of this Agreement, except for any reporting period for which the respective reporting deadlines have not yet expired. All such submissions of quality data have been made in accordance with applicable reporting deadlines and in the form and manner required by CMS and The Joint Commission, respectively. Sellers have made available to Buyers the "validation results" for all reporting periods concluded prior to the date of this Agreement, except for any reporting period for which the respective reporting deadlines have not yet expired. Except as set forth on Schedule 4.8(b), no Registered Seller has received notice of any reduction in reimbursement under the Medicare program resulting from its failure to report quality data to CMS or its agent as required under the Quality Programs.

4.9. Compliance with Laws. Except as set forth in a writing delivered by Sellers to Buyers and set forth on Schedule 4.9, Sellers are in compliance in all material respects with all applicable statutes, rules, regulations, and requirements of the Government Entities having jurisdiction over the System and the Assets. As used herein, "Government Entity" means any government or any agency, bureau, board, directorate, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local. Each Seller has timely filed all reports, data, and other information required to be filed with the Government Entities. No Seller, or any of Seller's employees have committed a violation of federal or state laws regulating healthcare and/or healthcare fraud, including but not limited to the following laws: the Federal (Title XIX of the Social Security Act) and state Medicaid programs and their implementing regulations, the Medicare Program (Title XVIII of the Social Security Act) and its implementing regulations; the Federal False Claims Act (31 U.S.C. §§ 3729 *et seq.*); the Federal Health Care Program Anti-Kickback Statute (42 U.S.C.

§ 1320a 7b(b)); the Federal Physician Self-Referral Law (42 U.S.C. § 1395nn); the Federal Administrative False Claims Law (42 U.S.C. § 1320a 7b(a)); the Federal Confidentiality of Alcohol and Drug Abuse Patient Records Act (42 U.S.C. 290ee 3); the Rehabilitation Act, the Americans with Disabilities Act, the Occupational Safety and Health Administration statutes and regulations for blood borne pathogens and workplace risks, and any state and local laws that address the same or similar subject matter. Without limiting the generality of the foregoing, Sellers are in compliance in all material respects with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), including the electronic data interchange regulations and the health care privacy regulations, and including the applicable rules and regulations promulgated under HIPAA pursuant to 45 CFR Parts 160, 162, and 164 (subparts A, D and E) and the changes thereto imposed by the Health Information Technology for Economic Clinical Health Act, Division A, Title XIII § 1301 *et seq.* of the American Recovery and Reinvestment Act of 2009, all as of the applicable effective dates for such requirements.

4.10. Equipment. Schedule 4.10 sets forth a depreciation schedule as of the Balance Sheet Date which takes into consideration all the equipment constituting any part of the System and the Assets having a book value greater than Ten Thousand Dollars (\$10,000.00).

4.11. Real Property. Based solely on the Title Commitments (as defined in Section 8.3 below), each Seller owns good, marketable, and indefeasible fee simple title to the Owned Real Property and good, valid and subsisting leasehold title to the Insured Leases (as defined in Section 8.3 below), subject only to the Permitted Encumbrances (as defined in Section 8.3 below). With respect to the Owned Real Property or the Insured Lease Parcels (as defined in Section 4.11(c) below):

(a) To the knowledge of the applicable Seller which is the record title owner of the applicable Owned Real Property or the Seller which is the tenant under the applicable Insured Lease, such applicable Seller has not received during the past three (3) years written notice of a violation of any applicable ordinance or other law, order, regulation, or requirement of any governmental authority applicable to such Owned Real Property or Insured Lease Parcel that has not been corrected or complied with;

(b) To Sellers' knowledge, except as described on Schedule 4.11(b), the Real Property and its operation are in material compliance with all applicable zoning ordinances, and, to the knowledge of Seller, subject to Seller's satisfaction of the terms of Section 14.26 below, as may be applicable, the consummation of the transactions contemplated herein will not result in a violation of any applicable zoning ordinance or the termination of any applicable zoning variance now existing;

(c) Based solely on the Title Commitments and subject to the Permitted Encumbrances and any fact which current and accurate surveys of the Owned Real Property and/or the parcels of land leased pursuant to the Insured Leases (such parcels being referred to as the "Insured Lease Parcels" or individually as an "Insured Lease Parcel") would disclose, to the knowledge of Sellers, neither the Owned Real Property nor the Insured Lease Parcels are subject to any easements, restrictions, ordinances, or other limitations on title so as to make the same unusable for its current use;

(d) To the knowledge of Sellers, the Owned Real Property and the Insured Lease Parcels are in compliance in all material respects with the applicable provisions of the Rehabilitation Act of 1973, Title III of the Americans with Disabilities Act, and the provisions of any comparable state statute relative to accessibility, and there is no pending, or written threat of litigation, administrative action or complaint (whether from state, federal or local government or from any other person, group or entity) relating to compliance of any of the Owned Real Property or the Insured Lease Parcels with the Rehabilitation Act of 1973, Title III of the Americans with Disabilities Act or the provisions of any comparable state statute relative to accessibility;

(e) The only real property leases to which any of the Sellers is a tenant are the Sellers Tenant Leases described in Schedule 4.11(e), and no tenant has paid rent in advance for more than one month and no improvement credit or other tenant allowance of any nature is owed to any tenant, nor is any landlord improvement work required, except as described on Schedule 4.11(e);

(f) Attached to Schedule 4.11(f) is a "rent roll" which sets forth all Sellers Landlord Leases where a Seller is landlord: (i) the names of then current tenants; (ii) the rental payments for the then current month under each of the Sellers Landlord Leases; (iii) a list of all then delinquent rental payments; (iv) a list of all concessions granted to tenants; (v) a list of all tenant deposits and a description of any application thereof, and (vi) a list of all uncured material defaults under the Sellers Landlord Leases known to the appropriate Seller;

(g) To the knowledge of Sellers, during the past three (3) years, no Seller of any of the Owned Real Property nor as tenant of any of the Insured Leases has received written notice from any governmental authority or any agent of any governmental authority, of any existing or proposed eminent domain proceeding of such governmental authority that would result in the taking of either (i) all of any parcel constituting a part of the Owned Real Property or the Insured Lease Parcels or (ii) a part of any of parcel constituting a part of the Owned Real Property or the Insured Lease Parcels that would adversely affect the current use of such parcel of the Owned Real Property or Insured Lease Parcels;

(h) Except as set forth on Schedule 4.11(h), to the knowledge of Sellers, none of the Owned Real Property or Insured Lease Parcels are located within a one hundred year flood plain or an area identified by the Secretary of Housing and Urban Development as having "special flood hazards," as such term is used in the National Flood Insurance Act of 1968, as amended and supplemented by The Flood Disaster Protection Act of 1973, and in regulations, interpretations and rulings thereunder; and

(i) The Owned Real Property and Insured Lease Parcels are supplied with utilities and other services sufficient for the operation thereof as are currently being operated. To the knowledge of the Seller, except as set forth on Schedule 4.11(i), the buildings, plants and structures, including heating, ventilation and air conditioning systems, roof, foundation and floors, of the Owned Real Property and Insured Lease Parcels are in good operating condition, subject to ordinary wear and tear.

4.12. Title. As of the Closing, Sellers shall own and hold good and valid title to all of the Assets, and at the Closing Sellers shall assign and convey to Buyers good, valid and marketable title to all of the Assets, or any part thereof, subject to no mortgage, lien, pledge, security interest, conditional sales agreement, right of first refusal, option, restriction, liability, encumbrance, or charge other than the Permitted Encumbrances and the Assumed Liabilities, or mortgages, liens, pledges, security interests or the like being paid off, satisfied or released as of Closing. As to the Owned Real Property and the Sale/Lease Back Leased Real Property the terms of this Section 4.12 are subject to the terms of Section 4.11(a) and Section 8.3.

4.13. Employee Benefit Plans. Except as set forth on Schedule 4.13 hereto:

(a) Sellers do not sponsor or participate in, nor have they, within the last five (5) calendar years including the calendar year that includes the Effective Time, sponsored or participated in any pension, profit-sharing, stock bonus, deferred compensation, or other retirement plans as would be defined as an "employee pension benefit plan" in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including any Code Section 401(a), Section 403(b) or Section 457 plans; "employee welfare benefit plans," as would be defined in Section 3(1) of ERISA including group health, life, disability or similar plans; fringe benefit, cafeteria, flexible benefit, or tuition assistance plans; executive compensation agreements, bonus, or incentive plans; retention or severance plans; vacation, holiday, sick-leave, paid-time-off, or other employee compensation plans, programs, payroll practices, policies, or agreements; or any annuity contracts, custodial agreements, trusts or other agreements related thereto (all collectively, the "Benefit Plans"). With respect to such Benefit Plans appearing on Schedule 4.13, Sellers have delivered to Buyers accurate and complete copies of the Benefit Plans that have written instruments and, for those that do not, general summaries or explanations (including descriptions from employee handbooks and other materials); insurance contracts or any other funding instruments; governmental correspondence issued within the last five (5) calendar years including the calendar year that includes the Effective Time; determination, advisory, notification, or opinion letters issued within the last five (5) calendar years including the calendar year that includes the Effective Time; currently in effect as of the Effective Time contracts with third-party administrators and other independent contractors; and summary plan descriptions, modifications, memoranda, employee handbooks, and other material written communications. Except as may be set forth on Schedule 4.13, all returns, reports, disclosure statements, and premium payments relating to the Benefit Plans appearing on Schedule 4.13 have been timely filed, delivered, or paid, or appropriate extensions obtained, as applicable and as required by applicable law. For the purposes of Section 4.13, Sellers shall refer to Sellers and any entity required to be aggregated with Sellers pursuant to the controlled group rules under Code Section 414(b), (c), (m) and (o).

(b) Other than as set forth on Schedule 4.13, with respect to such Benefit Plans, Sellers do not currently and have not participated in or sponsored, contributed to, or had an obligation to contribute to a multiemployer plan (as defined in ERISA), multiple employer plan (as defined in ERISA), or single employer plan to which at least two or more of the contributing sponsors are not part of the same controlled group (as determined in accordance with the controlled group rules under Code Section 414(b), (c), (m) and (o)); sponsored or

participated in any benefit plan that is self-insured or is a self-funded multiple employer welfare arrangement; participated in, engaged in, or been a party to any prohibited transaction for which there is no statutory exemption; had asserted against them any claim for any excise tax, interest, or penalty; or committed a material breach of any responsibilities or obligations imposed upon fiduciaries under ERISA. Other than as set forth in Schedule 4.13 or expressly assumed by one or more Buyers pursuant to provisions of this Agreement (including but not limited to Sections 1.1 and 1.3), Sellers do not have any liability under any Benefit Plan for which Buyers have or will have any liability, contingent or otherwise, under Parts I or IV of ERISA, the Code, or other applicable law.

(c) Other than as set forth on Schedule 4.13, each Benefit Plan that is a pension or other retirement plan and each related trust agreement, annuity contract, or other funding instrument is and has been since its inception qualified and tax-exempt under the provisions of Sections 401(a), 403(b), 457 or 501(a) of the Code applicable to such Benefit Plan; each Benefit Plan is and has been since its inception in material compliance with its terms and, both as to form and in operation, with the requirements prescribed by any and all laws that are applicable to such Benefit Plan; does not have and has not had since its inception any unfunded accrued liability; to the best knowledge of Sellers, has not experienced any reportable events (as such term is defined in ERISA Section 4043); has not had any accumulated funding deficiencies or liquidity shortfalls (both as defined under the Code); does not have any liabilities required to be disclosed that have not been disclosed; and has not been partially or fully terminated, nor has any Government Entity instituted or threatened a proceeding to terminate any such Benefit Plan or to appoint a trustee. Each Benefit Plan that is not a pension, or other retirement, plan not included in the preceding sentence is in material compliance with its terms and, both as to form and operation, with the requirements prescribed by any and all laws that are applicable to such Benefit Plan. Sellers have no knowledge of any material noncompliance with applicable laws with respect to any Benefit Plan that would create any liability for Buyers.

(d) Except as set forth on Schedule 4.13, no Benefit Plan is currently or has been within the last five (5) calendar years including the calendar year that includes the Effective Time under audit, inquiry, or investigation by the any Government Entity, and to Sellers' knowledge, there are no outstanding issues with reference to the Benefit Plans pending before any Government Entity. Other than routine claims for benefits, there are no actions, mediations, audits, arbitrations, suits, claims, or investigations pending or, to Sellers' knowledge, threatened against or with respect to any of the Benefit Plans or their assets, and there are no threatened or pending claims by or on behalf of the Benefit Plans or by any participants in the Benefit Plans alleging a breach of fiduciary duties or violations of law nor, to Sellers' knowledge, is there any basis for such claims.

4.14. Litigation or Proceedings. Schedule 4.14 lists all pending litigation or proceedings to which any Seller is a party or which otherwise involve the System or any of the Assets. No Seller is in default under any order of any court or federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality wherever located. Except as set forth on Schedule 4.14, there are no claims, actions, suits, proceedings, or investigations pending, or to the knowledge of Sellers, threatened against or related to any Seller,

the System or the Assets, at law or in equity, or before or by any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality wherever located.

4.15. Environmental Laws. Except as set forth on Schedule 4.15 hereto, to the knowledge of Sellers (i) the Real Property is not subject to any material environmental hazards, risks, or liabilities, (ii) no Seller is in material violation of any federal, state or local statutes, regulations, laws, orders or common law pertaining to the protection of human health and safety or the environment (collectively, "Environmental Laws"), including the Comprehensive Environmental Response Compensation and Liability Act, as amended ("CERCLA"), the Pennsylvania Solid Waste Management Act, as amended, the Pennsylvania Hazardous Sites Cleanup Act, as amended, the Pennsylvania Infectious and Chemotherapeutic Waste Law, as amended, the Clean Air Act, as amended, the Clean Water Act, as amended, the Solid Waste Disposal Act, as amended, and the Resource Conservation and Recovery Act, as amended ("RCRA") and (iii) no Seller has received any notice alleging or asserting either a violation of any Environmental Law or a legal obligation to investigate, assess, remove, or remediate any property that is an Asset under this Agreement, including, but not limited to, the Real Property, under or pursuant to any Environmental Law. Except as set forth on Schedule 4.15 hereto, no "Hazardous Substances" (which for purposes of this Agreement shall mean and include polychlorinated biphenyls, asbestos, and any hazardous substances, materials, constituents, or wastes which are regulated by any Environmental Law, including CERCLA and RCRA) have been possessed, stored, managed, processed, treated, released, handled, discharged, disposed of on or released or discharged from or onto, or threatened to be released from or onto, the Real Property (including groundwater) by any Seller, or to Sellers' knowledge, any third party, in material violation of any applicable Environmental Law. Except as set forth on Schedule 4.15 hereto or the documents referenced thereon, to the knowledge of Sellers, neither radon nor any radon progeny is present in any enclosed and occupied structure present on any area of the Owned Real Property in excess of four (4) picocuries/liter. Except as set forth on Schedule 4.15 hereto, to the knowledge of Sellers, the physical plants constituting a portion of the Assets do not contain regulated, friable asbestos-containing material. Without limiting the generality of the foregoing, to the knowledge of Sellers: (i) all current or former underground storage tanks located on the Real Property and all information in Sellers' possession relating to the capacity, uses, dates of installation and contents of such tanks located on the Real Property are identified in Schedule 4.15; (ii) there are no, nor have there ever been, any collection dumps, pits, and disposal facilities or surface impoundments located on the Real Property for the containment of Hazardous Substances except as identified in Schedule 4.15 or in the documents referenced thereon; and (iii) all existing underground storage tanks located on the Real Property have been maintained in material compliance with all Environmental Laws. To the knowledge of Sellers, except as set forth on Schedule 4.15 hereto, no Seller has transported or arranged for the transportation of any Hazardous Substance to any location not owned, operated or leased by any Seller that is the subject of an action by any Governmental Entity or any other third party that would reasonably be expected to result in a claim against any Seller. Copies of all environmental investigations, studies, audits, tests, reviews or other analyses (collectively, the "Environmental Reports") conducted by, or that are in the possession of, Sellers relating to the System or Real Property have been made available to Buyer and all such Environmental Reports

are listed on Schedule 4.15. Sellers have all Environmental Permits required under applicable Environmental Laws for Sellers to use the Real Property and any equipment located thereon as currently used by Sellers; all such Environmental Permits are valid and in effect; Sellers are in compliance in all material respects with all such Environmental Permits and all such Environmental Permits are listed on Schedule 4.15.

4.16. Hill-Burton and Other Liens. Except as set forth on Schedule 4.16 hereto, no Seller has received any loans, grants or loan guarantees pursuant to the Hill-Burton Act program, the Health Professions Educational Assistance Act, the Nurse Training Act, the National Health Planning and Resources Development Act, and the Community Mental Health Centers Act, as amended, or similar laws or acts relating to healthcare facilities. The transactions contemplated hereby will not result in any obligation on any Buyer to repay any of such loans, grants or loan guarantees, nor subject any Buyer or the Assets to any lien, restriction or obligation, including any requirement to provide uncompensated care.

4.17. Taxes.

(a) During the last five (5) tax years, each Seller has filed all federal, state and local tax returns required to be filed by it (all of which are true and correct in all material respects) and has duly paid or made provision for the payment of all taxes (including any interest or penalties and amounts due state unemployment authorities) which are due and payable to the appropriate tax authorities. During the last five (5) calendar years, each Seller has withheld proper and accurate amounts from its employees' compensation in compliance with all withholding and similar provisions of the Code, including employee withholding and social security taxes, and any and all other applicable laws. No deficiencies for any of such taxes have been asserted or threatened in writing, and no audit on any such returns is currently under way or threatened in writing. There are no outstanding agreements by any Seller for the extension of time for the assessment of any such taxes. No Seller has taken any action in respect of any federal, state or local taxes (including any withholdings required to be made in respect of employees) which may have an adverse impact upon the System or the Assets as of or subsequent to Closing. There are no liens for delinquent taxes on any of the Assets.

(b) For purpose of the Agreement, "tax" or "taxes" means (i) all federal, state, local or foreign taxes, charges, fees, imposts, contributions, levies or other assessments, including all net income, alternative minimum or add-on minimum tax, gross income, profits, gross receipts, franchise, capital, paid-up capital, capital stock, sales, use, value-added, ad valorem, property, inventory, transfer, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, business privilege, mercantile, estimated taxes, environmental, windfall profits, customs duties, fees, or other like assessments and charges of any kind whatsoever, (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (i), and (iii) any transferee liability in respect of any items described in clauses (i) and/or (ii) payable by reason of contract, assumption, transferee liability, operation of law, or otherwise, in each case whether or not disputed. For purpose of the Agreement, "tax return" means any return, report or statement filed or required to be filed with respect to any tax (including any attachments thereto,

and any amendment thereof) including any information return, claim for refund, amended return or declaration of estimated tax.

4.18. Employee Relations.

(a) Except as set forth on Schedule 4.18(a), all employees of the System are employees of one of the Sellers. Except as set forth on Schedule 4.18(a), there is not presently pending or, to Sellers' knowledge within the last three (3) calendar years including the calendar year that includes the Effective Time, threatened, and no event has occurred that could provide any reasonable basis for any strike, slowdown, picketing, work stoppage, or employee grievance process, or any proceeding against or affecting any Seller relating to an alleged violation of any legal requirements pertaining to labor relations, including any charge, complaint, or unfair labor practices claim filed by an employee, union, or other person with the National Labor Relations Board or any comparable Government Entity, organizational activity, or other labor dispute against or affecting any Seller or the System. Except as set forth on Schedule 4.18(a), with respect to the employees of each Seller, no collective bargaining agreement exists or is currently being negotiated by Seller; to Sellers' knowledge no application for certification of a collective bargaining agent is pending; no written demand has been made for recognition by a labor organization; to Sellers' knowledge, no union representation question exists; to Sellers' knowledge, no union organizing activities are taking place; and no employee of any Seller is represented by any labor union or organization.

(b) Each Seller has complied in all material respects with all legal requirements relating to employment; employment practices; terms and conditions of employment; equal employment opportunity; nondiscrimination; immigration; wages; hours; payment of employment, social security, and similar payroll taxes; occupational safety and health; and plant closing. No Seller is liable for the payment of any compensation, damages, taxes, fines, penalties, interest, or other amounts, however designated, for failure to comply with any of the foregoing legal requirements. Except as set forth in Schedule 4.18(b), there are no pending or, to Sellers' knowledge, threatened claims before the Equal Employment Opportunity Commission (or comparable state agency), complaints before the Occupational Safety and Health Administration (or comparable state agency), wage and hour claims, unemployment compensation claims, workers' compensation claims, or the like.

(c) Sellers have made available to Buyers the personnel records of all of the employees of each Seller and the salary or wage records for such employees including records reflecting sick or extended illness, paid time off, vacation and holiday benefits that, as of the Effective Time, are accrued or credited but unused or unpaid. Sellers have made available to Buyers copies of each employment, consulting, independent contractor, bonus, retention or severance agreement to which any Seller is a party. Schedule 4.18(c) sets forth the employees who had an "employment loss," as such term is defined in the Worker Adjustment and Retraining Notification Act (the "WARN Act"), within the ninety (90) days preceding the Closing; in relation to the foregoing, Sellers have not violated the WARN Act or any similar state or local legal requirements. To Sellers' knowledge, no employee of any Seller is bound by any contract that purports to limit the ability of such employee to engage in or continue or perform any conduct, activity, duties or practice relating to the business of any Seller.

(d) All necessary visa or work authorization petitions required to be filed by Sellers have been timely and properly filed on behalf of any employees of any Seller requiring a visa stamp, I-94 status document, employment authorization document, or any other immigration document to legally work for Sellers in the United States and all paperwork retention requirements with respect to such applications and petitions have been met. To the knowledge of Sellers, no current employee of any Seller has ever worked for such Seller without employment authorization from the Department of Homeland Security or any other Government Entity that must authorize such employment. I-9 Forms have been timely and properly completed by Sellers for all current employees of Sellers. I-9 Forms have been lawfully retained and re-verified by Sellers. There are no claims, lawsuits, actions, arbitrations, administrative or other proceedings, or to Sellers' knowledge, governmental investigations or inquiries pending or threatened against any Seller relating to such Seller's compliance with immigration laws. There have been no letters received by any Seller from the Social Security Administration ("SSA") regarding the failure of such Seller's employee's Social Security number to match their name in the SSA database.

4.19. Contracts and Commitments.

(a) Schedule 4.19 sets forth an accurate list of all material written commitments, contracts, leases, and agreements, which materially affect the System or the Assets, to which any Seller is a party or by which any Seller, the System or the Assets are bound, and which involve future payments, performance of services or delivery of goods to or by Seller in an amount or value in excess of One Hundred Thousand Dollars (\$100,000.00) per contract on an annual basis, which have terms (including renewal options and rights) in excess of one (1) year, or which involve a contract with a physician, physician organization or other referral source ("Material Contracts"), including: (a) agreements with individual physicians or physician groups and any other agreements with potential referral sources; (b) agreements with health insurance payors, health maintenance organizations, preferred provider organizations, accountable care organizations; clinically integrated networks, or other alternative delivery systems; (c) joint venture or partnership agreements; (d) employment contracts or any other contracts or commitments with individual employees or agents; (e) contracts or commitments materially affecting ownership of, title to, use of or any interest in the Real Property (including the Real Property Leases); (f) equipment leases; (g) equipment maintenance agreements; (h) agreements with municipalities; (i) collective bargaining agreements or other contracts or commitments with any labor unions, labor organizations, or other employee representatives or groups of employees; (j) loan agreements, bonds, mortgages, liens, or other security agreements; (k) patent licensing agreements or any other agreements, licenses, or commitments with respect to patents, patent applications, trademarks, trade names, service marks, technical assistance, copyrights, or other like terms affecting the System or the Assets; (l) contracts or commitments providing for payments based in any manner on the revenues or profits of the System or the Assets; and (m) agreements, licenses, or commitments relating to data processing programs, software, or source codes utilized in connection with the System or the Assets.

(b) Sellers have made available to Buyers, subject to applicable law, true, accurate and complete copies of all of the Contracts, including, among others, the Material

Contracts. Sellers represent and warrant with respect to each Contract, including Material Contracts, that:

(i) Such Contract constitutes the valid and legally binding obligation of the Seller which is a party thereto and is enforceable against such Seller in accordance with its terms;

(ii) Such Contract constitutes the entire agreement by and between the respective parties thereto with respect to the subject matter thereof;

(iii) All obligations required to be performed by the Seller under the terms of such Contract have been performed in all material respects, no act or omission by the Seller has occurred or failed to occur which, with the giving of notice, the lapse of time or both would constitute a default under the Contract, and such Contract is in full force and effect without default on the part of the Seller;

(iv) Except as expressly set forth on Schedule 4.19, the Contract does not require consent to the assignment and assumption of such Contract by the appropriate Buyer;

(v) Except as expressly set forth on Schedule 4.19, the assignment of the Contract to and assumption of such Contract by the appropriate Buyer does not require any fee and will not result in any penalty or premium, breach, default, termination or variation of the rights, remedies, benefits or obligations of any Party thereunder; and

(vi) Each Contract is in compliance in all material respects with all applicable federal, state and local laws, regulations, judicial and administrative decisions.

4.20. Unclaimed Property.

(a) Each Seller is, and at all time has been, in compliance with the applicable state laws regarding abandoned or unclaimed property or escheat in all material respects. Each Seller has reported and remitted to each state as required by Law all amounts held, due or owing by Seller remaining unclaimed or unpaid for a period of time such that they are presumed abandoned under the applicable state laws. No amounts which are, or would be, or would become, unclaimed property or presumed abandoned under the applicable state laws regarding abandoned or unclaimed property have been written off, written or reversed to income, or otherwise removed or excluded from the Seller's Balance Sheet Liabilities.

(b) For purpose of the Agreement, "unclaimed property" means tangible and intangible property held by the Seller as custodian for the apparent owner which is deemed abandoned or unclaimed under applicable state laws.

4.21. Inventory/Supplies. All the inventory of medical and office supplies ("Inventory") constituting any part of the Assets is substantially of a quality and quantity usable and salable in the ordinary course of business of the System. Obsolete items or inventory items

greater than one (1) year old have been written off the Financial Statements. The Inventory is carried at the lower of cost or market, on a first-in, first-out basis and is properly stated in the Financial Statements. The Inventory levels are based on past practices of Sellers and are reasonable and justified under the normal operations of the Sellers.

4.22. Insurance. Schedule 4.22 hereof lists the insurance policies covering the ownership and operations of the System and the Assets, which Schedule reflects the policies' numbers, terms, identity of insurers, amounts, coverage, and loss experience for the last five (5) years per policy. All of such policies are in full force and effect with no premium arrearage. During the past five (5) years, Sellers have given in a timely manner to their insurers all notices required to be given under their insurance policies with respect to all of the claims and actions covered by insurance, and no insurer has denied coverage of any such claims or actions. Except as set forth on Schedule 4.22, at no time during the past five (5) years has any Seller (a) received any written notice or other communication from any such insurance company cancelling or materially amending any of such insurance policies, and, to Sellers' knowledge, no such cancellation or amendment is threatened; or (b) failed to present any material claim which is still outstanding under any of such policies with respect to the System or any of the Assets.

4.23. Third Party Payor Cost Reports. Each Seller required to file cost reports has duly and timely filed all such required reports for all the fiscal years through and including the most recently completed fiscal year. All of such cost reports completely and accurately reflect the information required to be included thereon and such cost reports do not claim and no Seller has received reimbursement in any amount in excess of the amounts provided by law or any applicable agreement. Schedule 4.23 indicates which of such cost reports have not been audited and finally settled and a brief description of any and all notices of program reimbursement, proposed or pending audit adjustments, disallowances, appeals of disallowances, and any and all other unresolved claims or disputes in respect of such cost reports. Each Seller has established adequate reserves to cover any potential reimbursement obligations or other liabilities such Seller may have in respect of any such third party cost reports pertaining to any periods prior to the Effective Time, regardless of when such cost reports are filed, and such reserves are set forth in the Financial Statements.

4.24. Medical Staff Matters. Sellers have made available to Buyers true, correct, and complete copies of the bylaws and rules and regulations of the medical staff of each Hospital, as well as a list of all current members of the medical staffs. Except as set forth on Schedule 4.24 hereto, there are no adverse actions pending with respect to any medical staff members of the Hospitals or any current applicant thereto for which a medical staff member or current applicant has requested a judicial review hearing which has not been scheduled or has been scheduled but has not been completed, and there are no pending or, to the knowledge of Sellers, threatened disputes with current applicants or medical staff members of the Hospitals.

4.25. Intellectual Property; Computer Software. All Intellectual Property (whether registered or common law) currently owned by Sellers is listed and described on Schedule 1.1(k) hereto. No proceedings have been instituted or are pending or, to the knowledge of Sellers, threatened which challenge the validity of the ownership by any Seller of such Intellectual Property, and Sellers know of no basis therefor. No Seller has licensed anyone to use such

Intellectual Property and Sellers have no knowledge of the use or the infringement of any such Intellectual Property by any other person. Sellers, collectively, own (or possesses licenses or other rights to use) all Intellectual Property, including all computer software programs and similar systems used in the operation of the System and the Assets.

4.26. Compliance Program. Sellers have made available to Buyers a copy of the current compliance program materials related to Sellers and the System, including all program descriptions, compliance officer and committee descriptions, and, to the extent they exist, ethics and risk area policy materials, training and education materials, auditing and monitoring protocols, reporting mechanisms, and disciplinary policies. Except as set forth in a writing delivered by Sellers to Buyers which specifically makes reference to this Section 4.26 and set forth on Schedule 4.26, no Seller (a) is Party to any current, valid and binding Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, (b) has any current reporting obligation pursuant to any Settlement Agreement entered into with any Government Entity, (c) to Sellers' knowledge, has, at any time during the past five (5) years, been the subject of any Federal health care program investigation conducted by any federal or state enforcement agency, (d) to Sellers' knowledge, has, at any time during the past five (5) years, been a defendant in any qui tam/False Claims Act litigation, (e) has, during the past five (5) years, been served with or received any search warrant, subpoena, civil investigative demand, or contact letter from any federal or state enforcement agency (except in connection with medical services provided to third-parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the healthcare businesses conducted by Sellers), and (f) has, during the past five (5) years, received any written complaints (or complaints through their compliance "hotline") from employees, independent contractors, vendors, physicians, or any other person that would indicate that Seller has violated any law or regulation. Schedule 4.26 includes a description of each audit and investigation conducted by any Seller pursuant to its compliance program during the last five (5) years. For purposes of this Agreement, the term "compliance program" refers to provider programs of the type described in the compliance guidance published by the Office of Inspector General of the Department of Health and Human Services.

4.27. Full Disclosure. To the knowledge of Sellers, copies of all documents referred to in any Schedule delivered by Sellers hereto have been delivered or made available to Buyers and constitute true, accurate and complete copies thereof and include all amendments, exhibits, schedules, appendices, supplements or modifications thereto or waivers thereunder, unless noted on the relevant schedule. No representation or warranty made by Sellers hereunder contains an untrue statement of a material fact or omits to state a material fact required to be stated herein or necessary to make the statements contained herein not misleading.

5. REPRESENTATIONS AND WARRANTIES OF BUYERS.

As of the date hereof, as updated pursuant to Section 11.1, and as of the Closing Date, Buyers jointly and severally represent and warrant to Sellers the following:

5.1. Existence and Capacity. Each Buyer (other than PMH) is a limited liability company, duly organized and validly existing in good standing under the laws of the

Commonwealth of Pennsylvania or such other jurisdiction where domesticated. Each Buyer has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder, and to conduct its business as now being conducted in all material respects. PMH is a corporation, duly organized and validly existing in good standing under the laws of the State of Delaware. PMH has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to conduct its business as now being conducted. Each Buyer (other than PMH) is a direct or an indirect, wholly-owned subsidiary of PMH.

5.2. Powers; Consents; Absence of Conflicts with Other Agreements, Etc. The execution, delivery and performance of this Agreement by each Buyer and all other agreements referenced herein, or ancillary hereto, to which each Buyer is a Party, and the consummation of the transactions contemplated herein by each Buyer:

(a) are within its corporate powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate corporate action;

(b) except as provided in Section 7.1 and Section 7.2 below, do not require any approval or consent of, or filing with, any Government Entity or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

(c) will neither conflict with, nor result in any breach or contravention of, or the creation of any lien, charge or encumbrance under, any indenture, agreement, lease, instrument or understanding to which it is a party or by which it is bound;

(d) will not violate any statute, law, rule, or regulation of any Government Entity to which any Buyer may be subject; and

(e) will not violate any judgment, decree, writ, or injunction of any court or Government Entity to which any Buyer may be subject.

5.3. Binding Agreement. This Agreement and all agreements to which Buyers will become a Party pursuant hereto are and will constitute the valid and legally binding obligations of each Buyer, respectively, and are and will be enforceable against each Buyer, respectively, in accordance with the respective terms hereof and thereof.

5.4. Full Disclosure. Copies of all documents referred to in any schedule delivered by Buyers have been delivered and made available to Sellers and constitute true, accurate and complete copies thereof and include all amendments, exhibits, schedules, appendices, supplements or modifications thereto. No representation or warranty made by Buyers hereunder contains an untrue statement of a material fact or omits to state a material fact required to be stated herein or necessary to make the statements contained herein not misleading. Without limitation, the foregoing expressly includes all of the Title Commitments and any and all documents, instruments, easements, agreements, covenants or restrictions referred to therein.

5.5. Litigation/Investigations. There are no actions, proceedings, or investigations pending or, to the knowledge of Buyers, threatened, that if determined adversely to Buyers would have a materially adverse effect on Buyers' ability to consummate the transactions contemplated by this Agreement.

5.6. Compliance with Laws.

(a) **Generally.** Except as disclosed in Schedule 5.6(a) hereto, to the knowledge of Buyers, Buyers are in material compliance and have at all times within the past three (3) years complied with all Laws with respect to Buyers' ownership, use and operation of their business except for noncompliance that would not have a materially adverse effect on Buyers' ability to consummate the transactions contemplated by this Agreement. During the past three (3) years, except as so disclosed, to Buyers' knowledge, Buyers have: (i) properly filed all material reports and other documents required by any Governmental Entity; and (ii) not received any notice from any Governmental Entity that any of its assets or business procedures or practices fails to comply in any material respect with any applicable Laws; except for noncompliance that would not have a materially adverse effect on Buyers' ability to consummate the transactions contemplated by this Agreement.

(b) **Health Care Laws.** In the three (3) year period immediately preceding the Execution Date hereof, to the knowledge of Buyers, neither Buyers nor any of Buyer's employees while an employee of Buyers has committed a violation of federal or state Laws regulating health care, including the Anti-Kickback Law, 42 U.S.C. Section 1320a (the "Anti-Kickback Law"), the Stark I and II laws, 42 U.S.C. Section 1395nn, as amended (the "Stark Law"), and the False Claims Act, 31 U.S.C. Section 3729, *et seq.* (the "False Claims Act"), except for violations that would not have a materially adverse effect on Buyers' ability to consummate the transactions contemplated by this Agreement. Neither Buyers nor any of their employees or the physicians on their medical staff, have been excluded from participation in Medicare or any other federal health care program (as that term is defined in 42 U.S.C. Section 1320a-7b(f)), subject to sanction pursuant to 42 U.S.C. 1320a-7a or 1320a-8 or convicted of a criminal offense under the Anti-Kickback Law, except for exclusions, sanctions or convictions that would not have a materially adverse effect on Buyers' ability to consummate the transactions contemplated by this Agreement.

5.7. Licenses/Permits. To the knowledge of Buyers, Buyers have lawful authority and have, or will reasonably promptly obtain prior to or within a reasonable period of time after the Closing Date, as applicable, all material federal, state and local Licenses and Permits necessary for or required to conduct their business operations where the failure to hold such Licenses and Permits would have a materially adverse effect on Buyers' ability to consummate the transactions contemplated by this Agreement. All such materials Licenses and Permits are or will be valid and in full force and effect. To the knowledge of Buyers, Buyers are in material compliance with all such currently held Licenses and Permits and the terms and requirements of all Governmental Entities with respect thereto except for noncompliance that would not have a materially adverse effect on Buyers' ability to consummate the transactions contemplated by this Agreement. To the knowledge of Buyers, no notice from any authority in respect to the revocation, termination, suspension, or limitation of any such Licenses or Permits has been

issued or given, nor are Buyers aware of the proposed or threatened issuance of any such notice, except where such notice would not have a materially adverse effect on Buyers' ability to consummate the transactions contemplated by this Agreement.

6. COVENANTS OF SELLERS PRIOR TO CLOSING.

Between the Execution Date of this Agreement and the Closing:

6.1. Information. Sellers shall afford to the officers, authorized representatives and agents (which shall include accountants, attorneys, bankers, and other consultants) of Buyers full and complete access during normal business hours to and the right to inspect, at Buyers' sole cost and expense, the plants, properties, equipment, books, and records of the Sellers, and will furnish Buyers with such additional financial and operating data and other information as to the business and properties of Sellers as Buyers may from time to time reasonably request without regard to where such information may be located. Buyers' right of access and inspection shall be exercised in such a manner as not to interfere unreasonably with Sellers' operations.

6.2. Operations. Sellers shall:

(a) carry on their business in substantially the same manner as presently conducted and not make any material change outside of the ordinary course of business in personnel, operations, finance, accounting policies, Real Property or personal property;

(b) maintain the Assets and the System and all parts thereof in substantially the same operating condition;

(c) maintain the Inventory at substantially the same levels as exist as of the Execution Date of this Agreement;

(d) perform all of their obligations under agreements relating to or affecting the System, the Assets or Sellers' operations;

(e) keep in full force and effect their present insurance policies or other comparable insurance;

(f) use reasonable efforts to maintain and preserve their business organizations intact, retain their present employees within the System, and maintain their relationships with physicians, suppliers, customers, and others having business relations with the System;

(g) comply with all applicable laws in all material respects;

(h) keep, hold and maintain all Licenses reasonably necessary for the conduct and operation of Sellers' business;

(i) use reasonable measures to avoid rendering any representation or warranty contained in this Agreement inaccurate or untrue as of the Closing;

(j) promptly notify Buyers in writing of any lawsuits, claims, administrative actions or other proceedings asserted or commenced against any of the Sellers or their officers, directors or employees involving in any material way the ability of any such Seller to consummate the transactions contemplated or required by this Agreement, or materially affecting such Seller's business, properties or its assets;

(k) promptly notify Buyers in writing of any facts or circumstances that come to their attention and that cause, or through the passage of time could reasonably cause, any of the representations and warranties made by Sellers and contained in this Agreement to be untrue or misleading at any time from the Execution Date through the Closing;

(l) continue to make (i) any and all required or other scheduled contributions to the DB Pension Plan for the 2016 plan year in the amounts set forth on Schedule 6.2(l) hereto (as may be increased or decreased pursuant to the January 1, 2016 DB Pension Plan actuarial determination) on a pro-rata basis up to the Closing Date (where such pro-rata shall be based on the number of days occurring between the start of the pro-rata period and the Closing Date), and (ii) the outstanding required contributions for the 2015 plan year in the amounts also set forth on Schedule 6.2(l) (plus accrued interest, if any) (as such contributions may be increased or decreased pursuant to the January 1, 2016 DB Pension Plan actuarial determination), provided that if Closing occurs prior to Sellers' full payment of the contributions for the 2015 plan year, Sellers shall pay the remaining balance of such contributions to the DB Pension Plan on or before the Closing Date; and Sellers shall pay PBGC premiums on a timely basis; and

(m) continue to accrue any executive retention bonuses and any other retention bonuses set forth on Schedule 1.3(k) on a monthly basis up to the Effective Time in accordance with past practice and in monthly amounts not less than have been historically accrued for such bonuses.

6.3. Negative Covenants. Sellers shall not, without the prior written consent of Buyers:

(a) amend, renew or terminate any of the Contracts, enter into any contract or commitment, or incur or agree to incur any liability which would constitute a Contract to the extent such Contract: (i) is outside of the ordinary course of business of Sellers; (ii) involves future payments, performance of services or delivery of goods to or by Sellers in an amount or value in excess of One Hundred Thousand Dollars (\$100,000.00) on an annual basis; (iii) has one or more physicians or physician organizations as a party and provides for total annual compensation (including any incentives, bonuses, benefits or other reimbursement) exceeding, or potentially exceeding, Five Hundred Thousand Dollars (\$500,000.00); and/or (iv) is not terminable by Sellers without cause and without penalty upon prior notice of twelve (12) months or less, all except as provided herein or as set forth on Schedule 6.3(a);

(b) increase compensation payable or to become payable or make any bonus, incentive or severance payment to or otherwise enter into one or more bonus, severance, profit-sharing, deferred compensation, stock option, purchase, retainer, consulting, retirement, welfare or incentive plan Contracts (including any plan or agreement under which "fringe

benefits" are afforded) with any employee of the Sellers, except in the ordinary course of business in accordance with existing personnel policies, consistent with past merit-based practices in accordance with existing personnel policies or pursuant to Contract requirements in force on the date of this Agreement;

(c) enter into (or materially amend existing) agreements for employment, indemnity, retention, severance, change-in-control, employee lease, deferred compensation, or incentive compensation with, or agreements regarding loans or advances to, Sellers' executive management personnel as listed on Schedule 6.3(c);

(d) create, assume, or permit to exist any new debt, mortgage, pledge, or other lien or encumbrance upon any of the Assets or System in excess of One Hundred Thousand Dollars (\$100,000), whether now owned or hereafter acquired;

(e) sell, assign, lease, or otherwise transfer or dispose of any property, plant, or equipment except in the ordinary course of business with comparable replacement thereof, if appropriate;

(f) incur capital expenditures in an aggregate amount exceeding One Hundred Thousand Dollars (\$100,000) except for expenditures identified on Schedule 6.3(f);

(g) adopt any plan of merger, consolidation, reorganization, liquidation or dissolution or file a petition in bankruptcy under any provisions of federal or state bankruptcy law or consent to the filing of any bankruptcy petition against it under any similar law;

(h) purchase or otherwise acquire any property or asset for an amount in excess of One Hundred Thousand Dollars (\$100,000), except for purchases of inventory or supplies in the ordinary course of business;

(i) take any material action outside the ordinary course of business of the System, the Assets or Sellers generally;

(j) enter into any agreement, undertake any action or fail to take any action that would have a Material Adverse Effect;

(k) amend any provision of the Hospitals' Medical Staff Bylaws or Medical Staff rules and regulations; or

(l) settle any third party payor or governmental claims or cost report appeals or related proceedings or any other billing and/or compliance matters involving other audit/review agencies and organizations.

6.4. Governmental Approvals. Sellers shall (i) use reasonable efforts to obtain all governmental approvals (or exemptions therefrom, including the Office of Attorney General of the Commonwealth of Pennsylvania and the Court of Common Pleas of Delaware County, Pennsylvania, Orphans' Court Division) necessary or required to allow Sellers to perform their obligations under this Agreement; and (ii) assist and cooperate with Buyers and their

representatives and counsel in obtaining all governmental consents, approvals, and licenses which Buyers deem necessary or appropriate and in the preparation of any document or other material which may be required by any Government Entity as a predicate to or as a result of the transactions contemplated herein.

6.5. Hart-Scott-Rodino Notification. If not completed prior to the Execution Date of this Agreement, Sellers shall, if and to the extent required by law, file all reports or other documents required or requested by the Federal Trade Commission ("FTC") or the United States Department of Justice ("Justice Department") under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act"), and all regulations promulgated thereunder, concerning the transactions contemplated hereby, and, as instructed by counsel, comply with any requests by the FTC or Justice Department for additional information concerning such transactions, in an effort to allow the waiting period specified in the HSR Act to expire as soon as reasonably possible after the execution and delivery of this Agreement. Sellers shall furnish to Buyers such information concerning Sellers as Buyers need to perform their obligations under Section 7.2 of this Agreement. Sellers and Buyers shall each pay one-half (1/2) of the filing fees required under the HSR Act and all regulations promulgated thereunder.

6.6. Additional Financial Information. Within five (5) business days after they are created (but in any event no later than twenty (20) days following the end of each calendar month prior to Closing), Sellers shall deliver to Buyers true, accurate and complete copies of the unaudited balance sheets and the related unaudited statements of income (collectively, the "Interim Statements") of, or relating to, the Sellers for each month then ended, together with a year-to-date compilation and the notes, if any, related thereto, which shall have been prepared from and in accordance with the Books and Records of Sellers, and shall fairly present in all material respects the financial position and results of operations of the System as of the date and for the period indicated, all in accordance with GAAP consistently applied, except as set forth in Schedule 4.4(b).

6.7. Exclusivity. No Sellers or any of their respective representatives, agents, directors, officers or employees, directly or indirectly, shall: (a) offer any of the Assets described in this Agreement for sale, lease or other disposition to any person or entity other than Buyers, except in the ordinary course of business; (b) merge or conduct any business combination of any sort involving Sellers or any Affiliate thereof with any other person or entity except that any Seller may merge with any other Seller or transfer all or substantially all of its assets to another Seller in connection with the transactions contemplated herein; (c) transfer the membership, control or any ownership interest in any Seller or any Affiliate thereof (including any joint venture, LLC membership or partnership interests) to any other person or entity except as required under a joint venture, operating or partnership agreement and necessary to meet a closing condition of under this Agreement that has not been waived by Buyer; (d) enter into a partnership, LLC or any other joint venture involving any Seller or any Affiliates thereof; (e) enter into any agreement with any person or entity other than Buyers with respect to any of the matters set forth in (a) through (d) above; or (f) solicit, encourage (by way of furnishing non-public information or otherwise), negotiate, hold discussions regarding, entertain, accept, or take any other actions to facilitate, any offers regarding any of the matters or actions set forth in

(a) through (e) above. Sellers will promptly communicate to Buyers the substance of any inquiry or proposal concerning any such potential offer or transaction described above.

6.8. Insurance Ratings. Sellers shall take all action reasonably requested by Buyers to enable Buyers to succeed to the Workers' Compensation and Unemployment Insurance ratings, and other ratings for insurance or other purposes established by Sellers. Buyers shall not be obligated to succeed to any such ratings, except as they may elect to do so. At Buyer's election and to the extent allowable under the Pennsylvania Unemployment Compensation Law, one or more Sellers shall join in an application to transfer the whole or appropriate part of such Seller's Pennsylvania Unemployment Compensation experience record and reserve account balance to Buyer and file with the Pennsylvania Department of Labor and Industry such supporting schedules or other information with respect to such experience record and reserve account balance as said Department may require.

6.9. Medical Staff Disclosure. Sellers shall deliver to Buyers a written disclosure containing a brief description of all adverse actions taken against medical staff members of the Hospitals or applicants thereof during the past three (3) years which could result in claims or actions against any Seller and which are not disclosed in the minutes of the meetings of the Medical Executive Committee of the medical staff of the Hospitals, which have been made available to Buyers.

6.10. Consent for Assignment of Contracts.

(a) To the extent a Contract is not capable of being assigned without the consent of a third party as set forth in Section 4.19 or if such assignment or attempted assignment would constitute a breach thereof or a violation of any law (a "Non-Assignable Contract"), nothing in this Agreement shall constitute an assignment or an attempted assignment thereof prior to the time at which all consents necessary for such assignment shall have been obtained and all legal restrictions removed.

(b) Sellers shall use commercially reasonable efforts to obtain the consent to the assignment of any Contracts hereunder, including Non-Assignable Contracts, and Buyers shall reasonably cooperate with their efforts. To the extent that any of such consents under Material Contracts are not obtained: (i) Buyers shall not be required to consummate the transactions described herein pursuant to Section 8.7; and (ii) if Buyers nevertheless elect to waive the condition to closing under Section 8.7 and consummate the transactions described herein, then to the extent requested by Buyers, Sellers shall, during the term of the affected Material Contract, use commercially reasonable efforts to (A) provide to Buyer the benefits under any such Material Contract, (B) cooperate in any reasonable and lawful arrangement designed to provide such benefits to Buyers, and (C) enforce for the account of Buyers, any rights of Sellers under the affected Material Contract (including the right to elect to terminate such Material Contract in accordance with the terms thereof upon the written direction of Buyers) and for the period that Buyers are receiving the benefit that would otherwise inure to Sellers under the Material Contract, Buyers will be responsible for the obligations of Sellers under the Material Contract relating to such period. Buyers shall cooperate with Sellers to

enable Sellers to provide to Buyers the benefits contemplated by the immediately preceding sentence.

(c) If assignment of any Contract requires any additional payment by Sellers of any fees, expenses, premiums, expenditures, assessments or penalties in excess of One Thousand Dollars (\$1,000.00) in order to effect assignment (provided that such payments are not contemplated in such Contract), Sellers shall promptly notify Buyers of such payment and Buyers may elect to either pay such amounts due in excess of One Thousand Dollars (\$1,000.00) or not accept assignment of such Contract. Sellers and Buyers shall reasonably cooperate in negotiating with third parties any payments associated with assignment of any Contracts hereunder.

6.11. Corporate and Bulk Sales Clearance Certificate. Prior to Closing, Sellers shall timely notify all Pennsylvania tax authorities, to the extent required by applicable law, of the transactions contemplated by this Agreement in the form and manner required by such tax authorities. After Closing, Sellers shall file with the Pennsylvania tax authorities to receive applicable tax clearance certificates ("Tax Clearance Certificates"). From and after Closing, Sellers shall defend, indemnify and hold harmless the Buyers having taken title to any of the Assets from and against any and all of such Seller's tax liabilities which are imposed upon or asserted against such Buyers or the Assets, including any fines, penalties or interest thereon, solely as a result of, or with respect to, Sellers' failure to obtain and deliver to Buyers any such Tax Clearance Certificates prior to Closing.

6.12. Unions. Prior to the Closing, Sellers shall keep Buyers reasonably apprised of, and consult with Buyers, regarding the status of any negotiations (which shall include routine pending grievances, arbitrations or similar complaints) regarding any collective bargaining agreement or the demand for recognition of any labor organization. Sellers shall not enter into any new collective bargaining agreement or extension of any existing collective bargaining agreement or recognize any labor organization without prior written consent from the Buyer. Such consent shall not be required if Sellers reasonably determine and notify Buyers that it would interfere with Sellers' bargaining or other obligations under the National Labor Relations Act.

6.13. Foundation Merger. Prior to or simultaneous with the Closing, Sellers shall cause Delco Foundation to merge with and into Crozer Foundation with Crozer Foundation to be the surviving organization and successor in interest to all assets and liabilities of both organizations, and renamed "Crozer-Keystone Community Foundation." Upon effectuation of such merger, Sellers shall cause Foundation to execute and deliver to Buyers the Indemnification Agreement attached hereto as Exhibit K and shall deliver to Buyers complete copies of the Statement of Merger and Plan of Merger (with all attachments thereto) associated with the merger of Delco Foundation into Crozer Foundation.

6.14. Consulting Agreement. Subject to compliance with applicable laws, as promptly as practicable after the Execution Date but by no later than thirty (30) days after the Execution Date, the Parties shall negotiate and finalize a consulting agreement pursuant to which Buyers provide operational support to Sellers' leadership. The consulting agreement shall not be

executed or take effect until thirty (30) days after the Parties make their required filing pursuant to the Hart-Scott-Rodino Act pursuant to the terms of this Agreement. The consulting fee payable to Buyers under such consulting agreement shall be equal to 0.75% of "net patient revenue" (as defined on Sellers' financial statements) of the System per month. Sellers agree to reasonably consent to make recommended operational changes under the terms of such consulting agreement. The consulting fees payable to Buyers would be deferred and would only be payable to Buyers if the Closing does not occur as a result of a breach of this Agreement, where such breach is willful and intentional by one or more Sellers and based on factors within one or more Sellers' control.

7. COVENANTS OF BUYERS PRIOR TO CLOSING.

Between the Execution Date of this Agreement and the Closing:

7.1. Governmental Approvals. Buyers shall (i) use reasonable commercial efforts to obtain all governmental approvals (or exemptions therefrom) necessary or required to allow Buyers to perform their obligations under this Agreement; and (ii) assist and cooperate with Sellers and their representatives and counsel in obtaining all governmental consents, approvals, and licenses which Sellers deem necessary or appropriate and in the preparation of any document or other material which may be required by any Government Entity as a predicate to or as a result of the transactions contemplated herein.

7.2. Hart-Scott-Rodino Notification. If not completed prior to the Execution Date, Buyers shall, if and to the extent required by law, file all reports or other documents required or requested by the FTC or the Justice Department under the HSR Act, and all regulations promulgated thereunder, concerning the transactions contemplated hereby, and comply promptly with any requests by the FTC or Justice Department for additional information concerning such transactions, so that the waiting period specified in the HSR Act will expire as soon as reasonably possible after the execution and delivery of this Agreement. Buyers agree to furnish to Sellers such information concerning Buyers as Sellers need to perform their obligations under Section 6.5 of this Agreement. Sellers and Buyers shall each pay one half (1/2) of the filing fees required under the HSR Act and all regulations promulgated thereunder.

7.3. Unions. Buyers shall recognize the existing labor unions representing Sellers' employees as such employees certified representative. Following approval by the Office of Attorney General of Pennsylvania, as set forth in Section 6.4, and not prior thereto unless otherwise mutually agreed upon by Sellers and Buyers, Buyers and Buyers' representatives may meet with each union to discuss the terms and conditions of employment for the bargaining units they represent subject to Buyers' obligations under Section 11.10 and Section 11.25. Buyers shall keep Sellers apprised of such meetings and discussions.

8. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYERS.

Notwithstanding anything herein to the contrary, the obligations of Buyers to consummate the transactions described herein are subject to the fulfillment by Sellers, on or prior

to the Closing Date, of the following conditions precedent unless waived in writing by Buyers at or prior to the Closing:

8.1. Representations/Warranties. The representations and warranties of Sellers contained in this Agreement shall be true in all material respects when made and as of the Closing Date as though such representations and warranties had been made on and as of such Closing Date. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by Sellers on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed in all material respects.

8.2. Pre-Closing Confirmations. Buyers shall have received documentation from the Sellers or other evidence satisfactory to Buyers in their reasonable discretion that Sellers have:

(a) Received approval from all Government Entities whose approval is required to complete the transactions herein contemplated, provided that no such approval is conditioned upon or otherwise imposes any changes or additional requirements with respect to the transactions contemplated hereby that are not acceptable to Buyers, in Buyers' reasonable discretion;

(b) Received confirmation from all applicable licensure agencies that upon the Closing all material Licenses required by law to operate the System and the Assets as currently operated and carry on Sellers' business will be transferred to, or issued or reissued in the name of, the appropriate Buyer;

(c) Obtained reasonable assurances that Medicare and Medicaid certification of the System and the Assets for their operation by Buyers will be effective as of the Closing and that Buyers may participate in and receive reimbursement from such programs effective as of the Closing; and

(d) Obtained such other consents and approvals as may be legally or contractually required for the consummation of the transactions described herein.

8.3. Title Policy. For purposes of clarification, the processes and other actions described in this Section 8.3 shall have been completed in accordance with the terms and conditions hereof prior to the Closing Date as one of the conditions under this Article 8 to Buyers' obligations to consummate the transactions.

(a) Attached to this Agreement as Schedule 8.3 is a list of encumbrances, agreements, easements and exceptions or objections to title pursuant to the title commitments of Commonwealth Land Title Insurance Company (the "Title Company") being so identified on Schedule 8.3. All encumbrances, agreements, easements, or exceptions on Schedule 8.3 are referred to as the "Permitted Encumbrances," and the title commitments are referred to as the "Title Commitments" and individually as a "Title Commitment" with respect to the corresponding Owned Real Property identified on Schedule 8.3 and the corresponding leases of the Leased Real Property, as designated by Buyers, identified on Schedule 8.3 (such leases on Schedule 8.3 being referred to as the "Insured Leases" and individually as an "Insured Lease").

Buyers shall promptly following the execution of this Agreement obtain current as-built ALTA surveys with respect to the Owned Real Property and the Insured Lease Parcels as designated by Buyers (collectively, the "Surveys"). Buyers shall provide Sellers with a copy of the Surveys as and when received. Buyers shall provide written notice to Sellers ("Survey Notice") of any matters shown on the Surveys which adversely affects Seller's title to or use and operation of the Owned Real Property and/or the Insured Lease Parcels as currently being so used and operated (collectively, the "Survey Objections"), which are not satisfactory to Buyers in their reasonable discretion and which the Title Company raises as an exception to coverage. In the event that Buyers provide the Sellers with a Survey Notice, Sellers shall use commercially reasonable efforts, during the Survey Objection Cure Period (as hereinafter defined), to cure to the reasonable satisfaction of Buyers (which Buyers agree shall be so satisfied if the Title Company agrees not to raise the same as an exception to coverage or insure over the same) the Survey Objections identified in the Survey Notice. As used in this Agreement, the term "Survey Objection Cure Period" means the thirty (30) day period beginning on each date on which Sellers receive a Survey Notice. Those matters disclosed on the Surveys to which Buyers do not object shall be deemed Permitted Encumbrances. In the event that Sellers have not completed the cure of any of the Survey Objections by 6:00 p.m., Eastern Standard Time, on the first business day after the last day of a Survey Objection Cure Period, Buyers shall provide Sellers with a reasonable estimate of the dollar amount of the claims, losses, liabilities, damages, taxes, costs (including court costs and costs of appeal) and expenses (including reasonable attorneys' fees and fees of expert consultants and witnesses) resulting from Seller's failure to cure all such Survey Objections ("Survey Objection Cure Estimate"). If the aggregate amount of such Survey Objections Cure Estimate and any New Title Objections Cure Estimate, as defined in Section 8.3(d) below (collectively, the "Cure Estimates"), does not exceed Five Million Dollars (\$5,000,000.00), then Sellers shall grant a credit to Buyers against the Purchase Price in the aggregate amount of Buyers' Cure Estimates and Buyers shall proceed to Closing subject to the terms and conditions of this Agreement. If the aggregate amount of the Cure Estimates exceeds Five Million Dollars (\$5,000,000.00), Buyers shall have the right, to be exercised in Buyers' sole and exclusive discretion, to terminate this Agreement upon written notice of the same being given to Sellers, which termination shall be effective on the date which is ten (10) business days after the date such notice is received by Sellers, unless prior to the expiration of said ten (10) business day period, Sellers agree, by written notice being sent to Buyers, to grant a credit to Buyers against the Purchase Price in the aggregate amount of Buyers' Cure Estimates, at which point Buyers shall proceed to Closing subject to the terms and conditions of this Agreement. In the event this Agreement is terminated by Buyers pursuant hereto, neither party will thereafter have any further rights, obligations or liability hereunder except with respect to provisions hereof which by their express terms survive a termination of this Agreement.

(b) Subject to Buyers complying with all requirements, conditions and obligations of Buyers under or pursuant to the Title Commitments, with respect to the Owned Real Property, at the Closing, the Title Company shall be ready, willing and able to issue a pro forma policy of owner's title insurance pursuant to the Title Commitments (the "Owner's Title Policy") or mark-up the Title Commitments, in an amount equal to the portion of the Purchase Price being allocated to the Owned Real Property and shall insure to Buyers good and marketable, fee simple title to the Owned Real Property subject only to (i) the Permitted

Encumbrances attributable to the same pursuant to Schedule 8.3, as the same may be amended pursuant hereto, and (ii) taxes for the current year and subsequent years.

(c) Subject to Buyers complying with all requirements, conditions and obligations of the Buyers under or pursuant to the Title Commitments, at the Closing, the Title Company shall be ready, willing and able to issue a pro forma policy of leasehold title insurance pursuant to the Title Commitments (the "Leasehold Title Policy") or mark-up the Title Commitments, in an amount equal to the portion of the Purchase Price being allocated to the Insured Leases and shall insure to Buyers good and marketable, leasehold title to the Insured Leases subject only to the Permitted Encumbrances, attributable to the same pursuant to Schedule 8.3, as the same may be amended pursuant hereto.

(d) Prior to Closing, Buyers may provide written notice to Sellers ("New Matter Title Notice") of any new matters raised by the Title Company affecting or relating to title to the Owned Real Property or any Insured Leases provided such new matters were (i) not previously listed on the Title Commitment for the same, (ii) not pertaining to any of the Buyers or any requirements, conditions or obligations of the Buyers and (iii) not already a Permitted Encumbrance (such new matters being collectively referred to as the "New Title Objections"), which are not satisfactory to Buyers in their sole and absolute discretion. Buyers shall include with such New Matter Title Notice a copy of the updated Title Commitment referencing the New Title Objection and a copy of any such document, instrument, agreement, lien, encumbrance, easement or the like which is the basis of such New Matter Title Notice and New Title Objection. In the event that Buyers provide Sellers with a New Matter Title Notice, Sellers shall, at Sellers' sole cost and expense, cure such New Title Objections to the reasonable satisfaction of the Title Company so that the Title Company shall either remove or insure over the same at Closing. In the event Sellers fail to cure any New Title Objections pursuant hereto, Buyers shall provide Sellers with a reasonable estimate of the dollar amount of the claims, losses, liabilities, damages, taxes, costs (including court costs and costs of appeal) and expenses (including reasonable attorneys' fees and fees of expert consultants and witnesses) resulting from Seller's failure to cure all such New Title Objections ("New Title Objections Cure Estimate"). If the aggregate amount of the Cure Estimates, as defined in Section 8.3(a) above, does not exceed Five Million Dollars (\$5,000,000.00), Sellers shall grant a credit to Buyers against the Purchase Price in the aggregate amount of Buyers' Cure Estimates and Buyers shall proceed to Closing subject to the terms and conditions of this Agreement. If the aggregate amount of the Cure Estimates does exceed Five Million Dollars (\$5,000,000.00), Buyers shall have the right, to be exercised in Buyers' sole and exclusive discretion, to terminate this Agreement upon written notice of the same being given to Sellers, which termination shall be effective on the date which is ten (10) business days after the date such notice is received by Sellers, unless prior to the expiration of said ten (10) business day period, Sellers agree, by written notice being sent to Buyers, to grant a credit to Buyers against the Purchase Price in the aggregate amount of the Cure Estimates, at which point Buyers shall proceed to Closing subject to the terms and conditions of this Agreement. In the event this Agreement is terminated by Buyers pursuant hereto, neither party will thereafter have any further rights, obligations or liability hereunder except with respect to provisions hereof which by their express terms survive a termination of this Agreement.

(e) Notwithstanding the foregoing, Sellers must discharge and satisfy, and cause to be released of record at or prior to Closing any mortgage, judgment, construction lien or monetary encumbrance (collectively, "Monetary Liens") secured by or otherwise encumbering the Owned Real Property or the tenant's leasehold interest in the Insured Lease Parcels, except to the extent the same pertain to Buyers. Sellers' obligation to cause the release of any such Monetary Liens pursuant to the immediately preceding sentence shall survive the Closing. In the event any Monetary Lien exists as of Closing which Sellers dispute, and the Title Company is agreeable to insuring over the same, Buyers shall be obligated to proceed to Closing and the terms of this Section 8.3(e) shall be deemed to be satisfied.

(f) In the event that title to any of the Owned Real Property or the Insured Leases is not as provided for in this Agreement as of the Closing, Buyers shall proceed to Closing, in which event Sellers will remain liable, in accordance with Section 13.2, for any and all claims, losses, liabilities, damages, taxes, costs (including court costs and costs of appeal) and expenses (including reasonable attorneys' fees and fees of expert consultants and witnesses) that a Buyer Indemnified Party (as defined in Section 13.2) incurs as a result of or with respect to such failure of title, subject to the limitations of Section 13.3.

8.4. Actions/Proceedings. No action or proceeding before a court or any other Government Entity or body shall have been instituted or threatened to restrain or prohibit the transactions herein contemplated, and no Government Entity shall have taken any other action with respect to the Sellers, Assets or the System as a result of which Buyers reasonably and in good faith deem it impracticable to proceed with the transactions hereunder.

8.5. Adverse Change. Since the Execution Date, there shall not have occurred any event, change or occurrence that has or could reasonably be expected to have a Material Adverse Effect, and Sellers, collectively, shall not have suffered any change, loss or damage to the Assets or the System, whether or not covered by insurance, which would have a Material Adverse Effect.

8.6. Insolvency. Sellers, collectively, shall not (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted in writing its inability to pay its debts as they mature, (iv) have been adjudicated a bankrupt, or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against Sellers.

8.7. Material Consents. Sellers shall have obtained all consents, waivers and estoppels of third parties, including in connection with assignment of certain Material Contracts and in connection with Buyers' acquisition of interests in for profit Affiliates, joint ventures or other affiliated organizations of Sellers pursuant to Section 1.1(o), that are material to the consummation of the transactions contemplated in this Agreement (collectively, the "Material Consents") as listed on Schedule 8.7. The Material Consents shall be in form and substance reasonably satisfactory to Buyers.

8.8. **Vesting/Recordation.** Sellers shall have furnished to Buyers, in form and substance reasonably satisfactory to Buyers, assignments or other instruments of transfer and consents and waivers by others, necessary or appropriate to transfer to and effectively vest in Buyers all right, title, and interest in and to the Assets, in proper statutory form for recording if such recording is necessary or appropriate.

8.9. **Surveys and Reports.** Promptly following the Execution Date, Buyers, in their discretion and at their sole cost, may commission from one or more reputable environmental consulting or engineering firms: (i) a Phase II environmental sampling and analysis of environmental media at or beneath the Real Property, if deemed necessary or appropriate by Buyers based on the results of Buyers' Phase I environmental assessments; and/or (ii) an architectural and structural report on the Owned Real Property and the facilities situated thereon. The scope, findings and conclusions of such reports shall be reasonably satisfactory to Buyers.

8.10. **Closing Deliveries.** Sellers shall have made the deliveries required to be made by them under Section 3.2 hereof.

8.11. **Satisfaction of Indebtedness.** Sellers shall have paid off or otherwise satisfied as of Closing (including, as may be necessary, through payment of the Purchase Price at Closing) all indebtedness, including defeasance of any bonds, as is reasonably necessary for each Seller to convey its Assets to the appropriate Buyer free and clear of all claims, assessments, security interests, liens, restrictions and encumbrances of any kind, other than the Permitted Encumbrances and the Assumed Liabilities and/or as otherwise necessary to carry out the transactions contemplated hereby, and Sellers shall have delivered reasonable documentation thereof to Buyers as may be requested.

8.12. **Pension Funding.** Sellers shall have satisfied their Pension Plan Contribution funding obligations set forth in Section 2.4(b).

8.13. **Delivery of Other Agreements.** Sellers shall have executed and delivered all other agreements determined by Buyers to be reasonably necessary or appropriate to be entered into prior to the Closing to effect the transactions contemplated herein.

9. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLERS.

Notwithstanding anything herein to the contrary, the obligations of Sellers to consummate the transactions described herein are subject to the fulfillment by Buyers, on or prior to the Closing Date, of the following conditions precedent unless waived in writing by Sellers at or prior to the Closing:

9.1. **Representations/Warranties.** The representations and warranties of Buyers contained in this Agreement shall be true in all material respects when made and as of the Closing Date as though such representations and warranties had been made on and as of such Closing Date. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by Buyers on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed in all material respects.

9.2. Governmental Approvals. All material consents, authorizations, orders and approvals of (or filings or registrations with) any Government Entity or other Party required in connection with the execution, delivery and performance of this Agreement, as described in Section 7.1, shall have been obtained or made by Buyers when so required, except for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date.

9.3. Actions/Proceedings. No action or proceeding before a court or any other Government Entity or body shall have been instituted or threatened to restrain or prohibit the transactions herein contemplated, and no Government Entity shall have taken any other action with respect to the Sellers, Assets or the System as a result of which Sellers reasonably and in good faith deem it impracticable to proceed with the transactions hereunder.

9.4. Insolvency. Buyers, collectively, shall not (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted in writing its inability to pay its debts as they mature, (iv) have been adjudicated a bankrupt, or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against Buyers.

9.5. Closing Deliveries. Buyers shall have made the deliveries required to be made by them under Section 3.3 hereof.

10. RESTRICTIVE COVENANTS.

10.1. Purchase Price Proceeds. As promptly as practicable after the Closing Date, Sellers shall, after reserving for and/or paying off Sellers' debt and other liabilities, transfer the net proceeds of the Purchase Price paid to Sellers and any other net cash or investment assets to the Foundation (the "Foundation Funds"). The term "Foundation Funds" shall include any return on the investment thereof. A detailed description of Sellers' proposed use of the Purchase Price proceeds and projected amount of Foundation Funds is set forth on Schedule 10.1 hereto.

10.2. Enforcement Authority; Annual Reports. For a period of ten (10) years after the Effective Time, Buyers shall develop and provide an annual report to the Foundation regarding progress in meeting its commitments and compliance with covenants as set forth in Sections 2.4 and 11.12 through 11.20 hereof, as applicable during such time period. Subject to limitations on remedies set forth in Section 14.21, Foundation shall have authority to enforce, on behalf of Sellers, all legal and equitable rights and remedies of Sellers against Buyer pursuant to this Agreement.

10.3. Non-Compete. The Sellers hereby covenant and agree that, at all times during the period of ten (10) years after the Effective Time, neither the Sellers nor any of their respective Affiliates shall, directly or indirectly, own, lease, manage, operate, control, or participate in any manner with the ownership, leasing, management, operation or control of any business which offers healthcare services in competition with the Buyers, including but not limited to any acute care hospital, specialty hospital, rehabilitation facility, diagnostic imaging

center, ambulatory or other type of surgery center, urgent care center, or physician clinic or physician medical practice (any of such uses being referred to herein as a "Competing Business"), within thirty-five (35) miles of any Hospital campus (the "Restricted Area"), without Buyers' prior written consent (which Buyers may withhold in their sole and absolute discretion); provided, however, that no Seller or any of their Affiliates will be precluded from (i) participating in community benefit activities that promote healthcare services for residents of the communities historically served by Sellers and their Affiliates, or (ii) providing financial support to or on behalf of uninsured or underinsured individuals in order for those individuals to access health care services (including from a Competing Business), so long as they do not provide financial support to another Competing Business within the Restricted Area.

10.4. Non-Solicitation. The Sellers hereby covenant and agree that, at all times during the period of five (5) years after the Effective Time, neither the Seller nor any of their respective Affiliates shall, directly or indirectly, recruit or solicit for hire (other than through placing advertisements or job postings in print or electronic media of general circulation) any officers or executive management team members of any Buyer as listed on Schedule 10.4 ("Key Management Personnel") or otherwise encourage or induce any such Key Management Personnel to leave employment of Buyers, whether for business or other purposes, where such conduct or actions would have a reasonable likelihood of ending, curtailing, reducing or interfering with the business or other relationship between the Buyers and such Key Management Personnel.

10.5. Remedies. In the event of Seller's breach of this Article 10, Sellers recognize that monetary damages shall be inadequate to compensate Buyers and Buyers shall be entitled, without the posting of a bond or similar security, to an injunction restraining such breach, with the reasonable costs (including reasonable attorneys' fees) of securing such injunction to be borne by the breaching Seller or Affiliate. Nothing contained herein shall be construed as prohibiting Buyers from pursuing any other remedy available to it for such breach or threatened breach. All Parties hereto hereby acknowledge the necessity of protection against the competition of Sellers and their Affiliates and that the nature and scope of such protection under this Article 10 has been carefully considered by the Parties. Sellers further acknowledge and agree that the covenants and provisions of this Article 10 form part of the consideration under this Agreement and are among the inducements for Buyers entering into and consummating the transactions contemplated herein. The period provided, activities restricted and the area covered are expressly represented and agreed to be fair, reasonable and necessary. The consideration provided for herein is deemed to be sufficient and adequate to compensate for agreeing to the restrictions contained in this Article 10. If, however, any court determines that the foregoing restrictions are not reasonable, such restrictions shall be modified, rewritten or interpreted to include as much of their nature and scope as will render them enforceable.

11. ADDITIONAL COVENANTS AND AGREEMENTS.

11.1. Supplement to Schedules. From time to time prior to the Closing Date, the Parties shall supplement or amend with reasonable frequency, or promptly following the reasonable request of the other Party, the information contained in their respective disclosure schedules with respect to any material matter arising after the Execution Date, which, if existing

or occurring on the Execution Date, would have been required to be set forth or described in any disclosure schedule; provided, however, that no such supplement or amendment by a Party shall be deemed to modify its disclosure schedules for the purpose of, as the case may be, (i) certifying the accuracy of any representation or warranty made by Sellers in this Agreement or in the Officer's Certificates under Section 3.2(k) hereof, (ii) determining whether any of the conditions set forth in Article 8 or Article 9 hereof have been satisfied, (iii) indemnification in Article 13 hereof, and (iv) increasing the liabilities or obligations of Buyers. In the event that a Party supplements or amends the information contained in one of more of its disclosure schedules prior to Closing, the other Party may supplement or amend its schedules as it deems reasonably necessary with respect thereto (e.g., if Sellers add contracts requiring consent to their list of Material Contracts on, or referenced on, Schedule 4.19 prior to Closing, Buyers may, in their discretion, supplement or amend their list of Material Consents on Schedule 8.7 to add one of more of such contracts).

11.2. Termination Prior to Closing. Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time:

(a) on or prior to the Closing Date by mutual written agreement of Sellers and Buyers;

(b) on or prior to the Closing Date by Buyers following ten (10) days written notice, if satisfaction of any condition to Buyers' obligations under Section 7 of this Agreement becomes impossible or impractical with the use of commercially reasonable efforts (unless the failure results primarily from one or more Buyers materially breaching any representation, warranty, or covenant herein) and such condition shall not have been waived by Buyers;

(c) on or prior to the Closing Date by Sellers following ten (10) days written notice, if satisfaction of any condition to Sellers' obligations under Section 8 of this Agreement becomes impossible or impractical with the use of commercially reasonable efforts (unless the failure results primarily from one or more Sellers materially breaching any representation, warranty, or covenant herein) and such condition shall not have been waived by Sellers;

(d) by Buyers or Sellers if the Closing Date shall not have taken place on or before September 30, 2016 (which date may be extended by mutual agreement of Buyers and Sellers and which date may be extended by Buyers by up to ninety (90) days in the event that the documentation and approvals required by Section 8.2 have not yet been provided); provided that the right to terminate this Agreement under this Section 11.2(d) shall not be available to any Party if the failure of the Closing to take place by September 30, 2016 (as may be extended) results primarily from such Party's (or such Party's Affiliates) breach of any representation, warranty or covenant herein;

(e) by Sellers upon thirty (30) days' prior written notice if Buyers have a change of control where more than fifty percent (50%) of Buyers' outstanding equity interest, or substantially all of Buyers' assets, are to be transferred to a third party, but only if such third party transferee is, or is owned or controlled by, a health system or health plan whose principal business is operating hospitals or health systems, provided that, in addition to Sellers' right to

terminate pursuant to this Section, Buyers shall also pay to Sellers Five Hundred Thousand Dollars (\$500,000.00), as liquidated damages, to cover the estimated costs incurred in connection with the Transaction ("Liquidated Damages") with Buyers and Sellers acknowledging that the Liquidated Damages set forth herein are not intended to be a penalty and have been determined to be a reasonable and good faith estimate of the probable loss and costs suffered by Sellers if this Agreement is terminated by Sellers as a result of such a change of control; for the avoidance of doubt and without limiting the generality of the foregoing, acquisition by a private equity firm or other investment firm of more than fifty percent (50%) of the outstanding voting equity interests of Buyers, or substantially all of the assets of Buyers, shall not be considered a change of control triggering Sellers' termination rights and rights to Liquidated Damages under this Section 11.2(e), even if such firm has investments in other health systems or health plans; or

(f) by Buyers immediately upon written notice to Sellers, if all of the conditions to Buyers' and Sellers' obligations to close as set forth in Article 8 and Article 9 have been satisfied or waived except that Buyers, as of the Closing Date, are unable to pay, or otherwise fail to pay, despite commercially reasonable efforts to obtain financing on terms and conditions that are acceptable to Buyers, in their sole discretion, in accordance with Section 2.1(a) and Section 3.3(a), in immediately available funds an amount equal to the Estimated Purchase Price (a "Financing Failure"). If Buyers terminate this Agreement in accordance with this Section 11.2(f) or for any other reason as a result of a Financing Failure, PMH shall pay to Crozer, by no later than three (3) business days following the date of termination, an amount equal to Three Million Dollars (\$3,000,000.00) (the "Termination Payment"). The Termination Payment shall be secured by a letter of credit issued by City National Bank no later than five (5) business days after the execution of this Agreement and PMH shall take all reasonably necessary steps to allow Crozer to draw upon such letter of credit by no later than the fourth (4th) business day following termination of the Agreement pursuant to this Section 11.2(f) if the Termination Payment has not been previously paid by PMH. Termination under this Section 11.2(f) and receipt of the Termination Payment shall represent the sole and exclusive legal and/or equitable remedy available to Sellers under this Agreement, or otherwise, with respect to or otherwise on account of a Financing Failure (which includes, among other situations, any breach of, inaccuracy with respect to, default under or failure to satisfy or fulfill any covenant, obligation, representation, condition or warranty under the Agreement with respect to or otherwise on account of a Financing Failure) and Buyers (including PMH) shall be released by Sellers from any and all claims related to such Financing Failure upon receipt of the Termination Payment.

If this Agreement is terminated pursuant to this Section 11.2, this Agreement shall be null and void and all rights and obligations of Sellers and Buyers hereunder shall terminate without any liability of any Party to any other Party, except that with respect to a termination of this Agreement under Sections 11.2(a), (b) or (c), nothing herein shall prevent any Party from pursuing any of its legal rights or remedies that may be granted to any Party(ies) by law against the other Party(ies) to this Agreement as a result of any default by the other Party(ies) in the observance or in the due and timely performance of such Party(ies) of any of the covenants herein contained.

11.3. Post-Closing Access to Information. Sellers and Buyers acknowledge that subsequent to Closing each Party may need access to information or documents (including but not limited to personnel files included in the definition of Assets above) in the control or possession of the other Party(ies) for the purposes of, without limitation, concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations, and the prosecution or defense of third party claims. Accordingly, Sellers and Buyers agree that for a period of seven (7) years after Closing, each will make reasonably available to the other's agents, independent auditors, counsel, and/or governmental agencies upon written request and at the expense of the requesting Party such documents and information as may be available relating to the Assets and the System for periods prior and subsequent to Closing to the extent necessary to facilitate, without limitation, concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations, and the prosecution or defense of claims.

11.4. Preservation and Access to Records after the Closing. After the Closing, Buyers shall, in the ordinary course of business and as required by law, keep and preserve in their original form all Records of the System and Assets existing as of the Closing, and which constitute a part of the Assets delivered to Buyers at the Closing. Buyers acknowledge that as a result of entering into this Agreement and operating the System they will gain access to patient and other information which is subject to rules and regulations regarding confidentiality. Buyers agree to abide by any such rules and regulations relating to the confidential information it acquires. Buyers agree to maintain the Patient Records delivered to Buyers at Closing within the System after Closing in accordance with applicable law (including, if applicable, Section 1861(v)(1)(I) of the Social Security Act (42 U.S.C. § 1395(v)(1)(I)), the privacy requirements of the Administrative Simplification subtitle of HIPAA and applicable state requirements with respect to medical privacy and requirements of relevant insurance carriers, all in a manner consistent with the maintenance of patient records generated within the Buyers' system after Closing. Upon reasonable notice, during normal business hours, at the sole cost and expense of Sellers and upon Buyers' receipt of appropriate consents and authorizations, Buyers will afford to the representatives of Sellers, including their counsel and accountants, full and complete access to, and copies of, the Records transferred to Buyers at the Closing (including access to Patient Records in respect of patients treated by Sellers within the System). Upon reasonable notice, during normal business hours and at the sole cost and expense of Sellers, Buyers shall also make their officers and employees available to Sellers at reasonable times and places after the Closing. In addition, Sellers shall be entitled, at Sellers' sole risk, to remove any such Patient Records from Sellers' facilities, but only for purposes of pending litigation involving a patient to whom such records refer, as certified in writing prior to removal by counsel retained by Sellers in connection with such litigation and only upon Buyers' receipt of appropriate consents and authorizations; provided that if the litigation is brought by or on behalf of the patient to whom the records relate, such patient shall be deemed to have consented to disclosure and use in accordance with this Section. Any Patient Record so removed from the System shall be promptly returned to Buyers following its use by Sellers. Any access to the System, the Records or Buyers' personnel granted to Sellers in this Agreement shall be upon the condition that any such access not materially interfere with the business operations of Buyers.

11.5. Tax and Medicare Effect. None of the Parties (nor such Parties' counsel or accountants) has made or is making any representations to any other Party (nor such Party's counsel or accountants) concerning any of the tax, Medicare, Medicaid or other reimbursement effects of the transactions provided for in this Agreement as each Party hereto represents that each has obtained, or may obtain, independent tax, Medicare, Medicaid and reimbursement advice with respect thereto and upon which it, if so obtained, has solely relied.

11.6. Reproduction of Documents. This Agreement and all documents relating hereto, including: (a) consents, waivers and modifications which may hereafter be executed, (b) the documents delivered at the Closing, and (c) financial statements, certificates and other information previously or hereafter furnished to Sellers or to Buyers, may, subject to the provisions of Article 12 hereof, be reproduced by Sellers and by Buyers by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and Sellers and Buyers may destroy any original documents so reproduced. Sellers and Buyers agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial, arbitral or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by the Sellers or Buyers in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

11.7. Cooperation on Tax Matters. Following the Closing, the Parties shall cooperate fully with each other and shall make available to the other, as reasonably requested and at the expense of the requesting Party, and to any taxing authority, all information, records or documents relating to tax liabilities or potential tax liabilities of Sellers or Buyers and any information which may be relevant to determining the amount payable under this Agreement, and shall preserve all such information, records and documents (to the extent a part of the Assets delivered to Buyers at Closing) at least until the expiration of any applicable statute of limitations or extensions thereof.

11.8. Cost Reports. As set forth in more detail in the Transition Services Agreement, Sellers, at their expense, shall prepare and timely file all terminating and other cost reports required or permitted by law to be filed under the Medicare and Medicaid or other third party payor programs and the State Health Agency for periods ending on or prior to the Effective Time, or as a result of the consummation of the transactions described herein ("Sellers Cost Reports"). Buyers shall forward to Sellers any and all correspondence relating to Sellers Cost Reports within fifteen (15) business days after receipt by Buyers. Sellers shall remit to Buyers any receipts of funds relating to Sellers Cost Reports within fifteen (15) business days after receipt by Sellers. Buyers shall receive all rights to Sellers Cost Reports for any amounts receivable and assume all liabilities with respect to Sellers Cost Reports for any amounts payable, in respect of such reports or reserves relating to such reports, without limiting any of Buyers' rights or remedies hereunder. To the extent assignable and transferrable, Buyers' rights shall include the right to appeal any Medicare or Medicaid determinations relating to Sellers Cost Reports. Sellers shall retain the originals of Sellers Cost Reports, correspondence, work papers and other documents relating to the Sellers Cost Reports. Sellers shall furnish copies of such cost reports, correspondence, work papers and other documents to Buyers upon request.

11.9. **Misdirected Payments, Etc.** Sellers and Buyers covenant and agree to remit, with reasonable promptness, to the other any payments received, which payments are on or in respect of accounts or notes receivable owned by (or are otherwise payable to) the other (including any incentive payments, Meaningful Use funds, etc.) pursuant to the terms hereof. In addition, and without limitation, in the event of a determination by any governmental or third-party payor that payments to the Sellers resulted in an overpayment or other determination that funds previously paid by any program or plan to the Sellers must be repaid, Sellers shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered prior to the Effective Time and Buyers shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered after the Effective Time. In the event that, following the Closing, Buyers suffer any offsets against reimbursement under any third-party payor or reimbursement programs due to Buyers relating to amounts owing under any such programs by Sellers, Sellers shall, within five (5) business days following demand from Buyers, pay to Buyers the amounts so billed or offset. These obligations shall be in addition to any other remedies available herein.

11.10. Employee Matters.

(a) As of the Closing Date, Sellers shall terminate all of their respective employees and Buyers shall offer to hire all active employees of such Sellers who are in good standing as of the Effective Time (including the management team) (the "Hired Employees") in positions and at compensation levels and health and welfare benefit levels substantially similar to those being provided by Sellers as of the Closing Date, subject to the standard pre-employment screening process conducted by Buyers and their Affiliates. For purposes of this subsection, "active" employees shall mean those individuals on the employment rolls who are reporting to and attending work on a regular basis and shall also mean: (i) employees who are on maternity or paternity leave and are entitled to reemployment rights under applicable law, (ii) employees who are on leave pursuant to the Family and Medical Leave Act and are entitled to reemployment rights under such law, and (iii) employees who are on leave due to service in the uniformed services pursuant to the Uniform Services Employment and Reemployment Rights Act of 1994 and are entitled to reemployment rights under such law. An employee in "good standing" shall mean an employee who Seller indicates is not suspended according to Sellers' policies as of the Closing Date. Individuals who are not active employees due to long-term or short-term disability, workers compensation or other leaves of absence not mentioned herein shall not be an "active" employee until such time when they notify Sellers they are ready and meet all requirements for reporting to work, at which time Sellers will notify Buyer and Buyer then will consider them for employment as an active employee of Seller. Notwithstanding the foregoing, Buyers reserve the right not to hire or continue the employment of any individual employee for cause (i.e., with a legitimate reason with respect to such employee's job performance or conduct) or based on staffing considerations, upon reasonable advance notice to Sellers (if prior to the Closing) and the employee. Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of Buyers with respect to employees or to create or grant to any such employees third-party beneficiary rights or claims of any kind or nature. Within the period of ninety (90) days before the Closing, Sellers shall not take any action

that would result in WARN Act liability with respect to employees of the System. With respect to terminations of employees following the Closing, Buyers shall be responsible for any notification required under the WARN Act. In respect of the Hired Employees, Buyers shall provide such employees with employee benefits as described in Schedule 11.10(a), provided, however, that for the remainder of the 2016 calendar year following the Closing Date, the health and welfare benefits levels shall be substantially similar to those benefits levels provided by Sellers as of the Closing Date. Buyers shall recognize the existing seniority and service credit with Sellers of all Hired Employees for benefits purposes in Buyers' retirement plans and shall provide credit under such plans for purposes of determining eligibility and vesting and the rate of benefit accrual (but not actual benefit accrual); provided, however, that no such credit need be given in respect of any new plan commenced or participated in by Buyers in which no prior service credit is given or recognized to or for other similarly-situated plan participants. In providing benefits to Hired Employees under Buyers' welfare benefit plans, Buyers welfare benefit plans shall waive pre-existing conditions limitations, waiting periods, evidence of insurability or other exclusions or limitations in Buyers' welfare benefit plans which might otherwise apply to such Hired Employees and shall recognize the existing seniority and service credit with Sellers of all such Hired Employees to provide credit under such plans for the purpose of determining eligibility, except to the extent such Hired Employees have not satisfied such limitations under the current welfare benefit plans of Sellers or such waiver of pre-existing conditions is requested of an insurer, but after diligent pursuit is not permitted under one or more of Buyers' short-term or long-term disability plans provided through insurance contracts or policies. Buyers shall give all Hired Employees credit for their years of service with Sellers for the purpose of determining benefits under Buyers' vacation, sick pay and other paid-time-off programs.

(b) Buyers shall give credit to all Hired Employees for their actual accumulated and unused paid time off hours to the extent included in the calculation of Net Working Capital. Buyers shall also give credit to all Hired Employees for their actual and unused sick time hours for each Hired Employee. Such amounts shall not otherwise be subject to reduction, offset, or any other limitation under Buyers' sick time benefits policies and procedures.

11.11. Transition Services. Pursuant to the terms and conditions of the Transition Services Agreement attached hereto as Exhibit I, following the Closing, the Buyers shall provide Sellers with certain specified items and services as reasonably necessary to assist Sellers in transitioning ownership and operation of the System and Assets and winding down operations, all upon reasonable and customary terms mutually agreed upon by the Parties.

11.12. Local Advisory Board. Buyers and Sellers shall establish and appoint a local advisory board (the "Advisory Board") to ensure ongoing, meaningful input from local community and physician leaders with respect to the System. The Advisory Board shall be comprised of nine (9) individuals, including local community and physician leaders, four (4) of whom shall be appointed by Crozer's Board of Directors subject to Buyers' prior approval, which approval shall not be unreasonably withheld, and four (4) of whom shall be appointed by Buyers, with the remaining member selected by the Foundation from among its Board of

Directors to serve as a voting *ex-officio* member. The Advisory Board shall be self-perpetuating with annual elections conducted by the then current Advisory Board members on a staggered basis such that roughly one-third (1/3) of the members are subject to election each year, with the exception of the slot for the Foundation board member, who shall be selected and appointed by the Foundation from time to time, provided that, at all times: (i) at least fifty percent (50%) of the members shall be physicians on the active Medical Staff of one or more of Buyers' Hospitals; and (ii) the Advisory Board members shall reasonably attempt to maintain the same member composition and representation described above. For as long as Buyers own and operate one or more of the Hospitals, the Advisory Board shall meet on a regular basis and have the following responsibilities, all of which shall be advisory in nature and not binding with respect to Buyers: (a) make recommendations and suggestions with respect to medical staff credentialing; (b) provide input on policies and clinical programs; (c) provide input in the development and review of strategic plans; (d) provide input on operating and capital budgets; (e) provide input and support physician recruitment efforts; (f) provide input on succession plans for executive leadership at the Hospitals; (g) promote community health initiatives; and (h) monitor the commitment to maintain and improve quality indicators. The initial list of Advisory Board members (with their initial staggered terms) and the charter for the Advisory Board are attached as Exhibit J hereto prior to the Closing Date.

11.13. Financial Assistance Policies. For a period of at least five (5) years after the Effective Time, Buyers shall: (a) adopt and maintain Sellers' charity care policies for the treatment and financial assistance of indigent patients of the Hospitals in accordance with applicable law; (b) cause the Hospitals to treat any patient presented to the emergency room who has a medical emergency or who, in the judgment of a staff physician, has an immediate emergency need; (c) not turn away any such patient on account of age, race, gender or inability to pay; and (d) cause the Hospitals to continue to provide medically necessary services to patients in the communities served by Sellers, including those unable to pay for emergent and/or medically necessary care, subject to Sellers' charity care policies. This covenant shall be subject in all respects to changes in governmental policy.

11.14. Community Benefit, Education Programs and Affiliations. For as long as Buyers own and operate one or more of the Hospitals, Buyers shall: (a) support the health and well-being of residents in the communities served by Sellers through wellness, health education and other community programs; (b) maintain Sellers' graduate medical education programs in existence as of the Closing provided that there are no material changes in the reimbursement or clinical requirements for such programs; and (c) maintain a strategic alignment with ChesPenn Health Services, Inc., which operates a federally qualified health center, in order to continue providing critical primary care access to underserved and low socioeconomic, at-risk populations in the communities served by Sellers, on commercially reasonable terms mutually agreed upon by the Parties and generally consistent with the pre-Closing relationship with Sellers.

11.15. Availability of Services. Buyers shall: (a) for as long as Buyers own and operate one or more of the Hospitals, use commercially reasonable efforts to ensure that residents of Delaware County, Pennsylvania have access to a full range of healthcare services including primary, secondary and tertiary care, specialty and hospital-based services, and emergency and

urgent care facilities necessary to support the needs of the community; and (b) for a period of at least five (5) years after the Effective Time, Buyers shall preserve key service lines within the System, including women's services (including obstetrics and neonatal intensive care services), behavioral health, pediatrics, trauma (including burn), and emergency medicine, with a further commitment to maintain Emergency Access Points in the communities served as of the Closing Date. Buyers further agree to consult with the Advisory Board in advance of any significant changes in such services listed in subsection (b) above after the five (5) year period after the Effective Time.

11.16. Future Sale or Closing. For a period of ten (10) years after the Effective Time, Buyers shall not sell or close any of the licensed Hospitals, including any campus of a licensed Hospital providing inpatient acute care services as of the Effective Time, acquired as part of the transactions contemplated hereby unless consented to by the Advisory Board and the Foundation in advance. Notwithstanding anything herein to the contrary, the prohibition of this Section 11.16 shall not apply to: (a) any sale or closure required by a Government Entity; (b) any merger, sale or other transaction that does not relate solely or principally to the Assets purchased pursuant to this Agreement; or (c) any corporate-level transactions involving Buyer's stock or securities, including macro-level mergers, recapitalizations or reorganizations or other changes of control of PMH or its parent. In the event of any transactions described in subsections (b) and (c) above, or any other change in control of Buyers after the Effective Time, any successor shall be required to comply with, and shall be bound by, the post-closing covenants and other obligations of Buyers as set forth in this Agreement.

11.17. Capital Expenditures. During the first five (5) years following the Effective Time, Buyers shall invest, or enter into binding commitments to invest, at least One Hundred Million Dollars (\$100,000,000.00) for routine capital needs of the System and an additional One Hundred Million Dollars (\$100,000,000.00) for strategic capital needs of the System, including expenditures in connection with Sellers' current construction project involving an ambulatory care center in Broomall, Pennsylvania, which project is in process as of the Execution Date and the expenditures associated therewith are currently estimated to be about Twelve Million Dollars (\$12,000,000.00). As used in this Section 11.17, "capital needs" shall include new equipment, equipment replacement, facility renovations, new facilities, medical office space, development of new services, information systems, physician recruitment, physician practice acquisitions, and other capital improvements, including commitments incurred pursuant to operating or capital/financing leases, or other off balance sheet financing mechanisms.

11.18. Strategic Planning. As soon as possible following the Effective Time, Buyers shall commence a strategic planning process (the "Strategic Planning Process"), which shall be led by Buyers' local management team. The Strategic Planning Process shall provide for the evaluation of market data and projections, current and proposed regulatory environments, operational and financial requirements, and capital expenditures models in the markets in which Sellers operated to best determine the use of the Buyers' invested capital pursuant to Section 11.17. Without limiting the generality of the foregoing, within twelve (12) months of the Effective Time, as part of the Strategic Planning Process, Buyers shall specifically review the potential expanded strategic development on the Springfield Hospital campus.

11.19. Branding and Identity. For as long as Buyers own and operate one or more of the Hospitals, Hospitals and other provider organizations within the System shall retain their trade names as utilized immediately prior to the Effective Time. For a period of five (5) years after Closing, Buyers, with the approval of the Advisory Board and the Foundation, may choose to append to, or include in Hospitals' or System's trade name in use immediately prior to the Effective Time one or more of Buyers', or Buyers Affiliates', existing corporate or trade names. For a period of five (5) years after the Effective Time, Buyers shall not approve or adopt any branding plan, or materially modify any trade name usage, with respect to the Hospitals and other provider organizations within the System without the prior approval of the Advisory Board, as well as, in the case of branding plans, the prior approval of the Foundation.

11.20. Corporate Functions and Services. Promptly after the Effective Time, Buyers shall provide the acquired System with full and complete corporate support from PMH and its Affiliates with respect to the following: (a) comprehensive support and back office services, as more fully described in Schedule 11.20(a); (b) comprehensive physician infrastructure and alignment services, including the Coordinated Regional Care ("CRC") model; (c) expertise in operational efficiencies; (d) inclusion in Prospect's group purchasing organization ("GPO") arrangements; (e) programs, services and infrastructure that support the transition and advancement towards value-based care (e.g., ACO's) and population health management; and (f) quality and patient safety programs and infrastructure.

11.21. Medical Staff and Physicians. As a result of the acquisition of the Assets by Buyers, there will be no change or modification to the current staff privileges for physicians on the medical staff of the Hospitals who are in good standing. Buyers shall adopt the current medical staff bylaws of the Hospitals as of the Effective Time. Buyers shall maintain open medical staffs at the Hospitals, except with respect to existing closed departments thereof listed on Schedule 11.21, and Buyers shall continue to work collaboratively with independent physicians. All agreements between Sellers and physicians, including employment agreements, shall be included in the Contracts to be assigned to and assumed by Buyers to the extent assignable and assumable by the terms of such contracts and under applicable law; provided however, that Buyers may elect not to assume any of such agreements on reasonable notice to Sellers prior to Closing should Buyers reasonably determine, based on Buyers' review of applicable federal or state laws or regulations, that assumption thereof would be in violation of such applicable federal or state laws or regulations. Following the Closing, Buyers shall generally make available to the employed and medical staff physicians such physician resources, expertise, intellectual capital, entities and associated operational support functions as generally available to Buyers' Affiliates.

11.22. Quality Reporting. Sellers shall submit all quality data required under the Quality Programs to CMS or its agents, and all quality data required under ORYX to The Joint Commission, for any reporting period with reporting deadlines between the date of this Agreement and the Effective Time. If a reporting period ends prior to the Effective Time, but the reporting deadline for such reporting period ends after the Effective Time, Sellers shall prepare and submit the quality data for the System required under the Quality Programs and ORYX in accordance with applicable filing deadlines and in the form and manner required by

CMS and The Joint Commission, respectively, or, at the sole option of Buyers, Sellers shall transmit such quality data to Buyers in a form mutually agreeable to Buyers and Sellers or allow Buyers access to such data, to enable Buyers to submit quality data for the System required under the Quality Programs and ORYX for such reporting period. If the Effective Time falls between the first and last day of a reporting period, Sellers shall cooperate with Buyers to ensure that all quality data required to be submitted for the System under the Quality Programs and ORYX for the portion of the reporting period during which Sellers owned the System can be aggregated with the quality data for the portion of the reporting period during which Buyers owned the System, to enable Buyers and/or Sellers to submit the quality data for the System required under the Quality Programs and ORYX in accordance with applicable filing deadlines and in the form and manner required by CMS and The Joint Commission, respectively.

11.23. Continuation of Insurance. Except as otherwise provided in this Section 11.23, from and after the date of this Agreement through: (a) a date that is at least seven (7) years from the Effective Time for claims-made policies, whether through the purchase of an extended reporting endorsement/"tail" coverage or otherwise; and (b) the Effective Time for occurrence-based policies, Sellers shall, at their sole cost and expense, maintain in effect without material modification, all existing insurance coverage in effect as of the date hereof other than: (i) professional liability insurance for each of the Hospitals and Sellers' other institutional health care providers in the System, as well as for all employed physicians and other health care professional employees of Sellers for any claims related to the period prior to the Effective Time; and (ii) comprehensive general liability insurance and cybersecurity insurance with respect to Sellers' potential liability for any acts, omissions, events, claims or occurrences arising out of or otherwise related to the System, the Assets, Sellers' employees or the Sellers generally prior to the Effective Time, all to the extent such excepted liabilities remain insured through Cassatt and/or its Affiliates or otherwise as specified below. The insurance described above shall have coverage levels equal to the levels maintained by Sellers immediately prior to Closing. Sellers shall provide Buyers with at least thirty (30) days prior written notice of the cancellation, reduction or termination of any such insurance coverage. For a period of at least seven (7) years from the Effective Time, Buyers, through Cassatt and/or its Affiliates or otherwise, shall maintain claims-made policies, with coverage for "prior acts," for professional liability and comprehensive general liability insurance and cybersecurity insurance set forth in subsections (b)(i) and (b)(ii) above at coverage levels equal to the levels maintained by Sellers immediately prior to Closing.

11.24. Cooperation on Payor Matters. Following the Closing, the Sellers shall cooperate with Buyers and afford Buyers the opportunity to reasonably participate in any third party payor settlement and/or audit proceedings involving Sellers and/or pre-closing operation of the System, including, without limitation, matters and proceedings related to Medicare, Medicaid and CHAMPUS/TRICARE cost reports and CMS Recovery Audit Contractor appeals or other billing and/or compliance matters involving other audit/review agencies and organizations. Sellers shall not settle any claim, audit, proceeding or investigation concerning billing and/or compliance matters without the prior written consent of Buyers to the extent the terms of such settlement impose any obligations or restrictions on Buyers.

11.25. Section 4204 Sale of Assets. Buyers and Sellers each desire to have the withdrawal liability exclusions of Section 4204 of ERISA apply to the sale of assets under this Agreement. As a condition of the Agreement and according to the terms of Section 4204 ERISA, Buyer has agreed to contribute to the Pension Fund of Hospital and Healthcare Employees of Philadelphia and Vicinity (the "Pension Fund") for substantially the same number of contribution base units for which Sellers were obligated prior to the Closing Date of the Agreement. Sellers agree to be secondarily liable for any unpaid portion of withdrawal liability to such Pension Fund that Buyer may incur in the five year period following the Closing Date. In the event of Sellers' distribution of assets or liquidation, then to the extent required in Section 4204(a)(3) of ERISA, Sellers shall provide a bond or an amount in escrow equal to the present value amount of the potential withdrawal liability owed to the Pension Fund, determined as of the Closing Date of the Agreement. If it should be required by the Pension Fund or otherwise necessary in order to meet the requirements of Section 4204 of ERISA, Buyers shall post a bond or place an amount in escrow equal to the amount determined under Section 4204(a)(1)(B) of ERISA or request a variance of such amount from the Pension Fund on or before the Closing Date. Pursuant to the terms of this Section 11.25 of the Agreement, the parties acknowledge that the Pension Fund must first approve any variance requests, and any bonding or escrow arrangements entered into by the parties hereto. Buyers and Sellers, through their appropriate officers and employee representatives, shall take any and all actions necessary and appropriate to fulfill the spirit of this Section 11.25; to ensure that the requirements of ERISA Section 4204 are met; and to make certain that the sale of assets hereunder does not trigger an assessment of current withdrawal liability against the Sellers by the Pension Fund. These actions include, but shall not be limited to, taking any steps necessary and appropriate to timely meet the bonding, escrow and/or variance requirements under ERISA Section 4204 and obtaining any necessary approvals from the Pension Fund.

11.26. Environmental Matters. Sellers acknowledge that they are responsible for an ongoing investigation and remediation of an oil discharge at the CCMC property, which discharge has also caused and continues to cause an oil discharge to Ship Creek adjacent the CCMC property. For purposes of this Section 11.256, the presence of petroleum hydrocarbons in soil and/or groundwater at the CCMC property at such concentrations or under such conditions as to require a responsive action under applicable Environmental Laws is hereinafter referred to as the "Ship Creek Discharge." Sellers are conducting the investigation and remediation of the Ship Creek Discharge in consultation with the Pennsylvania Department of Environmental Protection ("PaDEP"). With respect to the Ship Creek Discharge, Sellers agree:

(a) Sellers' liability to perform an investigation and/or remediation of the Ship Creek Discharge is an Excluded Liability pursuant to Section 1.4(n);

(b) From and after the Closing Date, Sellers shall promptly undertake and diligently pursue, at Sellers' sole cost and expense, an investigation and remediation of the Ship Creek Discharge in accordance with all applicable laws, including Environmental Laws, and to obtain the cleanup liability protection afforded under Section 501 of the Land Recycling and Environmental Remediation Standards Act ("Act 2"), 35 P.S. § 6026.501, for the Ship Creek Discharge in all affected environmental media. In connection with the performance of the

Sellers' obligations under this Section 11.26; Buyers, Sellers agree that the Sellers may demonstrate attainment with a remediation standard consistent with the use of the CCMC property for non-residential purposes in accordance with Act 2. The Sellers shall not rely on any activity and use limitations to attain or maintain the cleanup standard without the prior written consent of Buyers, which consent shall be at Buyers' sole discretion. Sellers shall use reasonable efforts to perform their obligations under this Section 11.26 in a manner so as to minimize disruption to Buyers' business operations at the CCMC property, and (ii) coordinate with Buyers, including, without limitation, providing Buyers with reasonable advance notice of upcoming remedial activities, so that disruptions to Buyers' business operations at the CCMC property are minimized.

(c) Sellers shall have an ongoing duty to keep Buyers reasonably informed as to the progress of Sellers' performance of their obligations under this Section 11.26 and Sellers shall: (i) provide to Buyers a final draft of any environmental reports or substantive documents that refer or relate to the Ship Creek Discharge and provide to Buyers a meaningful opportunity to review and comment on such documents before they are submitted to the PaDEP; (ii) consider Buyers' comments in good faith; (iii) provide Buyers with a complete copy of any environmental reports or substantive documents submitted to the PaDEP, concurrently with their submittal to the PaDEP; and (iv) promptly provide Buyers with a complete copy of any correspondence received from the PaDEP that refers or relates to the Ship Creek Discharge or Sellers' performance of their obligations under this Section 11.25.

(d) Promptly following Sellers' receipt of PaDEP approval of a Final Report for the Ship Creek Discharge in accordance with Act 2, Sellers shall, at their sole cost and expense, promptly decommission, close and/or otherwise remove from the CCMC property (as the case may be) all monitoring wells and remedial equipment (if any) installed as part of the investigation and/or remediation of the Ship Creek Discharge in accordance with all applicable laws and restore the surface of the areas affected by such decommissioning, closure and/or removal.

(e) The provisions of this Section 11.25 shall survive the Closing of the transactions contemplated herein.

12. CONFIDENTIALITY.

12.1. Confidential Information. It is understood by the Parties hereto that the information, documents, and instruments delivered to Buyers or Sellers and their agents and the information, documents, and instruments delivered to Sellers by Buyers and their agents, as well as the terms and conditions of this Agreement, are of a confidential and proprietary nature (the "Confidential Information"). Each of the Parties hereto agrees that both prior and subsequent to the Closing it will maintain the strict confidentiality of all such Confidential Information and will only use such Confidential Information in connection with the negotiation of this Agreement or in compliance with the terms, conditions, and covenants hereof and will only disclose such Confidential Information to its duly authorized officers, members, directors, representatives, and agents (including consultants, attorneys, and accountants of each Party) and applicable Government Entities in connection with any required notification or application for approval or

exemption therefrom. Each of the Parties hereto further agrees that if the transactions contemplated hereby are not consummated, upon written request, it will return all such documents and instruments and all copies thereof in its possession to the other Parties to this Agreement. Each of the Parties hereto recognizes that any breach of this Section 12.1 would result in irreparable harm to the other Parties to this Agreement and their Affiliates and that therefore either Sellers or Buyers shall be entitled to an injunction to prohibit any such breach or anticipated breach, without the necessity of posting a bond, cash, or otherwise, in addition to all of their other legal and equitable remedies. Nothing in this Section 12.1, however, shall prohibit the use of such Confidential Information for such governmental filings as in the opinion of Sellers' counsel or Buyers' counsel are required by law or governmental regulations or are otherwise required to be disclosed pursuant to applicable state law. The Mutual Nondisclosure and Confidentiality Agreement, dated November 12, 2014, between the Parties shall remain in full force and effect.

12.2. Public Announcements. No Party hereto shall prior to Closing release, publish, or otherwise make available to the public in any manner whatsoever any information or announcement regarding the transactions herein contemplated without the prior written consent of the signatories to this Agreement, except for information and filings reasonably necessary to be directed to Government Entities to fully and lawfully effect the transactions herein contemplated or required in connection with securities and other laws.

13. INDEMNIFICATION.

13.1. Indemnification by Buyers. Subject to the limitations set forth in Section 13.3 hereof, Buyers shall jointly and severally defend, indemnify and hold harmless Sellers and their Affiliates, and their respective officers, directors or employees (collectively, "Seller Indemnified Parties"), from and against any and all claims, losses, liabilities, damages, taxes, unclaimed property, costs (including court costs and costs of appeal) and expenses (including reasonable attorneys' fees and fees of expert consultants and witnesses) that such Seller Indemnified Party incurs as a result of or with respect to:

(i) any inaccuracy, misrepresentation or breach of a representation or warranty by Buyers under this Agreement;

(ii) any breach by Buyers of, or any failure by Buyers to perform, any covenant or agreement of, or required to be performed by, Buyers under this Agreement;

(iii) any of the Assumed Liabilities; or

(iv) operation of the Assets or System, as acquired by Buyers hereunder, on or following the Effective Time.

13.2. Indemnification by Sellers. Subject to the limitations set forth in Section 13.3 hereof, Sellers shall jointly and severally defend, indemnify and hold harmless Buyers and their Affiliates, and their respective officers, directors or employees (collectively, "Buyer Indemnified Parties"), from and against any and all claims, losses, liabilities, damages, taxes, unclaimed

property, costs (including court costs and costs of appeal) and expenses (including reasonable attorneys' fees and fees of expert consultants and witnesses) that such Buyer Indemnified Party incurs as a result of or with respect to:

- (i) any inaccuracy, misrepresentation or breach of a representation or warranty by Sellers under this Agreement;
- (ii) any breach by Sellers of, or any failure by Sellers to perform, any covenant or agreement of, or required to be performed by, Sellers under this Agreement;
- (iii) any of the Excluded Liabilities or Excluded Assets
- (iv) the Ship Creek Discharge or Sellers' acts or omissions while performing their obligations pursuant to Section 11.26; or
- (v) operation of the System, the Assets or Sellers generally prior to the Effective Time.

13.3. Limitations. Buyers and Sellers shall be liable under Section 13.1(i) or Section 13.2(i) (i.e., for inaccuracies, misrepresentations and breaches of warranties), as applicable, only when the cumulative total of all indemnification claims exceeds Five Hundred Thousand Dollars (\$500,000.00) (the "Threshold Amount"), at which point Buyers or Sellers, as applicable, shall be liable for the full amount of such claims including the Threshold Amount. Notwithstanding anything to the contrary herein, the indemnification obligations of Sellers with respect to claims by Buyers arising under Section 13.2(i) and/or Section 13.2(ii), with respect to any and all claims arising under any or all of Sections 4.11, 4.12 (only as relates to real property) and 8.3, shall only apply when the cumulative total of any or all indemnification claims exceeds the Threshold Amount, at which point Sellers shall be liable for the full amount of indemnification claims including the Threshold Amount provided that the cumulative total of liability arising under Section 13.2(i) and/or Section 13.2(ii) with respect to any and all claims arising under any or all of Sections 4.11, 4.12 (only as relates to real property) and 8.3 shall not exceed, in the aggregate, the amount of Five Million Dollars (\$5,000,000.00), less any credit(s) against the Purchase Price granted to Buyer by Seller for any Cure Estimates ("Indemnification Cap"). For avoidance of doubt, the Threshold Amount shall only be applied once with respect to any and all indemnification claims of Sellers and once with respect to any and all indemnification claims of Buyers regardless of the nature of the underlying indemnification claims. Notwithstanding anything to the contrary, none of the limitations contained in this Section 13.3 shall apply to any indemnification claims arising under Section 13.1(i) or Section 13.2(i) as a result of the intentional misrepresentation or fraud of Buyers or Sellers, respectively. Buyers agree that prior to asserting any claim arising under any or all of Sections 4.11, 4.12 (only as relates to real property) and 8.3 which are in the nature of a title claim, Buyers shall first file a claim and exhaust all rights and remedies against the Title Company under its Owners Title Policy or its Leasehold Title Policy, as applicable. Buyers acknowledge and agree that they shall not have a claim under the warranty of title of the deeds, which is separate and apart from the provisions and limitations of this Section 13.3.

For avoidance of doubt, the parties acknowledge and agree that notwithstanding anything to the contrary, there is an aggregate single monetary cap of Five Million and no/100 Dollars (\$5,000,000.00), being the Indemnification Cap described above, towards which Indemnification Cap shall be counted: (A) any and all liabilities or obligations of Sellers arising under or pursuant to Section 13.2(i) and/or Section 13.2(ii) with respect to Sections 4.11, 4.12 (only as relates to real property) and 8.3; and (B) any and all credits provided to Buyers at Closing pursuant to either or both of Section 8.3(a), and Section 8.3(d), with respect to any Cure Estimates. Notwithstanding anything to the contrary, once the Indemnification Cap is reached, whether as of Closing or afterwards, and whether by payment of indemnification liabilities under Section 13.2(i) and/or Section 13.2(ii) with respect to Sections 4.11, 4.12 (only as relates to real property) and 8.3 or by credit against the Purchase Price pursuant to Section 8.3(a) and/or Section 8.3(d), Sellers shall have no further liability or obligations to Buyers under Section 13.2(i) and/or Section 13.2(ii) with respect to Sections 4.11, 4.12 (only as relate to real property) and 8.3, except for claims arising under Section 13.2(i) as a result of the intentional misrepresentation or fraud of Sellers.

13.4. Indemnification Procedures. All claims for indemnification by a Party entitled to be indemnified under this Article 13 (an "Indemnified Party") by Sellers or Buyer, as the case may be (an "Indemnifying Party"), shall be asserted as follows:

(a) **Notice of Claim.** If an Indemnified Party becomes aware of any breach of this Agreement by the Indemnifying Party, any claim or liability asserted by a third party against an Indemnified Party or any other basis for indemnification under this Article 13, which equals or exceeds the Threshold Amount, if and as applicable, the Indemnified Party shall notify the Indemnifying Party in writing of the same within thirty (30) days after becoming aware of such breach or receipt of such written assertion by a third party of a claim or liability, specifying in detail the circumstances and facts which give rise to such alleged breach or claim and the amount or the estimated amount thereof to the extent then feasible, which estimate shall not be conclusive of the final amount of such breach or claim ("Claim Notice"); provided however, that the failure to provide the Claim Notice will not relieve the Indemnifying Party of liability, unless and only to the extent that, such failure to provide the Claim Notice results in the loss of substantive rights or defenses.

(b) **Notice Period.** Except as otherwise provided in Section 13.4(c) below, the Indemnifying Party shall have thirty (30) days from the receipt of the Claim Notice (the "Notice Period") to notify in writing the Indemnified Party whether or not the Indemnifying Party (i) disputes the liability with respect to such claim or demand; (ii) acknowledges, assumes, and satisfies the claim or demand by the Indemnified Party; or (iii) with respect to claims or obligations asserted by third parties, desires, at its sole cost and expense, to defend the Indemnified Party against such claim or demand pursuant to Section 13.4(c) below; provided however, that Indemnifying Party shall not be entitled to assume the defense of the Indemnified Party unless the Indemnifying Party agrees in writing to accept the obligation to indemnify the Indemnified Party. If the Indemnifying Party does not notify the Indemnified Party within the Notice Period that it disputes its liability to the Indemnified Party, the Indemnified Party shall be

liable for the amount of any liability described or estimated in the applicable Claim Notice, as such estimates are finally determined.

(c) **Third Party Claims; Control of Litigation.** If any claim or liability is asserted in writing by a third party against an Indemnified Party which would give rise to a claim under this Article 13, which the Indemnifying Party agrees to indemnify, the Indemnifying Party shall have the right to defend such claim and control the defense, settlement, and prosecution of any litigation. If the Indemnifying Party, within ten (10) days after notice of such claim, fails to commence defense of such claim, the Indemnified Party shall (upon further written notice to the Indemnifying Party) have the right to undertake the defense, compromise, or settlement of such claim on behalf of and for the account and at the risk of the Indemnifying Party, subject to the right of the Indemnifying Party to assume the defense of such claim at any time prior to settlement, compromise, or final determination thereof. Anything in this Section 13.4(c) notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right, at its own cost and expense, to defend, compromise, and settle such claim, and (ii) the Indemnifying Party shall not, without the written consent of the Indemnified Party, settle or compromise any claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant to the Indemnified Party of a release from all liability in respect of such claim. The foregoing rights and agreements shall be limited to the extent of any requirement of any third-party insurer or indemnitor. All Parties agree to cooperate fully as necessary in the defense of such matters.

(d) **Mitigation.** The Indemnified Party shall take all reasonable steps to mitigate all liabilities and claims, including availing itself as reasonably directed by the Indemnifying Party of any defenses, limitations, rights of contribution, claims against third parties and other rights at law, and shall provide such evidence and documentation of the nature and extent of any liability as may be reasonably requested by the Indemnifying Party. The amount of any indemnification hereunder shall be reduced or reimbursed, as the case may be, by any amount received by the Indemnified Party under any insurance coverage or from any other Party alleged to be responsible therefor. The Indemnified Party shall use reasonable efforts to collect any amounts available under such insurance coverage and from such other Party alleged to have responsibility. If the Indemnified Party receives an amount under any such insurance coverage or from such other Party subsequent to an indemnification provided by the Indemnifying Party pursuant to this Article 13, the Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made or expense incurred by the Indemnifying Party in connection with providing such indemnification up to such amount received by the Indemnified Party. Each Party shall act in a commercially reasonable manner in addressing any liabilities that may provide the basis for an indemnifiable claim (that is, each Party shall respond to such liability in the same manner that it would respond to such liability in the absence of the indemnification provided for in this Agreement). Any request for indemnification of specific costs shall include invoices and supporting documents containing reasonably detailed information about the costs or damages for which indemnification is being sought.

13.5. Exclusive Remedy; Set Off. The representations and warranties contained in or made pursuant to this Agreement shall be terminated and extinguished upon the earlier of the end of the Survival Period (hereinafter defined) or any termination of this Agreement. Thereafter, none of Sellers, Buyers or any shareholder, partner, officer, director, principal or Affiliate of any of the preceding shall be subject to any liability of any nature whatsoever with respect to any such representation or warranty. Moreover, the sole and exclusive remedy for any breach or inaccuracy, or alleged breach or inaccuracy, of any representation and warranty made by Sellers or Buyers shall be the remedies provided by this Article 13. Notwithstanding the foregoing, each Buyer shall have the right to set off any amounts owed to it by any Seller under this Article 13 against any amounts owed by Buyers to Sellers hereunder or against any other financial obligations, commitments or liabilities of Buyers hereunder; provided that Buyers shall first provide written notice to Sellers of their intention to set off amounts owed under this Article 13. Notwithstanding anything to the contrary herein, Sellers shall first exhaust all remedies against Buyers (other than PMH) under this Article 13 prior to pursuing any action against PMH under this Article 13 on account of PMH's guaranty of Buyers' obligations pursuant to Section 14.24 or of any joint and several liability of PMH with other Buyers hereunder.

13.6. Survival. All of the representations, warranties, covenants, and agreements made by the Parties in this Agreement or pursuant hereto in any certificate, instrument, or document shall survive the consummation of the transactions described herein, and may be fully and completely relied upon by Sellers and Buyers, as the case may be, notwithstanding any investigation heretofore or hereafter made by any of them or on behalf of any of them, and shall not be deemed merged into any instruments or agreements delivered at the Closing or thereafter. Notwithstanding anything in this Section 13.6 which may be to the contrary, any claim, demand, or cause of action with respect to a breach of any representation or warranty made in this Agreement (other than representations or warranties contained in Section 4.1, Section 4.2, Section 4.3, Section 4.12, Section 5.1, Section 5.2 and Section 5.3, which shall survive indefinitely, and the representations or warranties contained in Section 4.8, Section 4.9, Section 4.13, Section 4.15, Section 4.17 and Section 4.23, which shall survive until four (4) years after the Effective Time), must be made or brought, if at all, within eighteen (18) months after the Effective Time, provided, however, that any claim, demand, or cause of action with respect to a breach of any representation or warranty made in this Agreement involving fraud or intentional misrepresentation shall survive indefinitely. Notwithstanding the foregoing, the representations and warranties related to the DB Pension Plan shall survive through the completion of the plan termination process described in Section 2.4(c) plus three (3) years. For the avoidance of doubt, this Section 13.6 shall not affect any rights to bring claims after eighteen (18) months based on (x) any covenant or agreement of the Parties which contemplates performance after the Closing, (y) the obligations of Buyers under Section 13.1(ii), Section 13.1(iii) or Section 13.1(iv), or (z) the obligations of Sellers under Section 13.2(ii), Section 13.2(iii), Section 13.2(iv) or Section 13.2(v). The period from the date hereof until the last date on which a representation, warranty, covenant or other obligation survives pursuant to this Section 13.6 shall be known as the "Survival Period."

14. MISCELLANEOUS.

14.1. **Schedules and Other Instruments.** Each Schedule and Exhibit to this Agreement shall be considered a part hereof as if set forth herein in full.

14.2. **Additional Assurances.** The provisions of this Agreement shall be self-operative and shall not require further agreement by the Parties except as may be herein specifically provided to the contrary; provided, however, at the request of a Party, the other Party or Parties shall execute such additional instruments and take such additional actions as the requesting Party may deem necessary to effectuate this Agreement. In addition and from time to time after Closing, Sellers shall execute and deliver such other instruments of conveyance and transfer, and take such other actions as Buyers reasonably may request, more effectively to convey and transfer full right, title, and interest to, vest in, and place Buyers in legal and actual possession of, any and all of the Assets and the System. Sellers shall also furnish Buyers with such information and documents in their possession or under their control, or which Sellers can execute or cause to be executed, as will enable Buyers to prosecute any and all petitions, applications, claims, and demands relating to or constituting a part of the Assets or the System. Additionally, Sellers shall cooperate and use their best efforts to have their present directors, officers, and employees cooperate with Buyers on and after Closing in furnishing information, evidence, testimony, and other assistance in connection with any action, proceeding, arrangement, or dispute of any nature with respect to matters pertaining to all periods prior to Closing in respect of the items subject to this Agreement.

14.3. **Consented Assignment.** Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any claim, right, contract, license, lease, commitment, sales order, or purchase order if an attempted assignment thereof without the consent of the other Party thereto would constitute a breach thereof or in any material way affect the rights of any Seller thereunder, unless such consent is obtained. Each Seller and Buyer shall use reasonable efforts to obtain any third party consents to the transactions contemplated by this Agreement.

14.4. **Consents, Approvals and Discretion.** Except as herein expressly provided to the contrary, whenever this Agreement requires any consent or approval to be given by a Party, or whenever a Party must or may exercise discretion, the Parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

14.5. Knowledge.

(a) The phrase "to the knowledge of Sellers" and similar references to Sellers' knowledge, as used in this Agreement, shall encompass (i) all matters with respect to which any Seller has received written notice (including by electronic transmission), (ii) the actual knowledge of each Seller's officers and senior management, after due inquiry, and (iii) the actual knowledge of those persons listed on Schedule 14.5(a) hereto.

(b) The phrase "to the knowledge of Buyers" and similar references to Buyers' knowledge, as used in this Agreement, shall encompass (i) all matters with respect to which any Buyer has received written notice (including by electronic transmission), (ii) the actual knowledge of each Buyer's officers and senior management, after due inquiry, and (iii) the actual knowledge of those persons listed on Schedule 14.5(b) hereto.

14.6. Choice of Law. The Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflict of laws principles. Exclusive venue for any dispute arising out of this Agreement shall be the state or federal courts of the Commonwealth of Pennsylvania.

14.7. Benefit/Assignment. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives, successors, and assigns. No Party may transfer or assign (via sale, change of control of a Party, asset or stock purchase, operation of law or other method) this Agreement without the prior written consent of the other Parties.

14.8. No Brokerage. Except as set forth on Schedule 14.8, Buyers and Sellers each represent and warrant to the other that such Parties have not engaged a broker in connection with the transactions described herein. Each Party agrees to be solely liable for and obligated to satisfy and discharge all loss, cost, damage, or expense arising out of claims for fees or commissions of brokers employed or alleged to have been employed by such Party.

14.9. Cost of Transaction. Except as otherwise specified herein, including Section 6.5 and Section 7.2, whether or not the transactions contemplated hereby shall be consummated, the Parties agree as follows: (i) Sellers shall pay the fees, expenses, and disbursements of Sellers and their agents, representatives, accountants, and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; (ii) Buyers shall pay the fees, expenses, and disbursements of Buyers and their agents, representatives, accountants and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; and (iii) Sellers and Buyers shall each pay one-half (1/2) of any applicable real estate transfer taxes, sales taxes and other state and local taxes incurred on account of the transfer of Assets hereunder, and Buyers shall pay state and local recording fees and similar costs with respect to the transactions contemplated by this Agreement.

14.10. Waiver of Breach. The waiver by any Party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or any other provision hereof.

14.11. Notice. Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by receipted overnight delivery, or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

Sellers:

Prior to the Effective Time:

Crozer-Keystone Health System
Healthplex Pavilion II
100 Sproul Road
Springfield, Pennsylvania 19064
Attention: Joan K. Richards
President and CEO

After the Effective Time:

Sellers will provide prior to Closing

And

Crozer-Keystone Health System
Healthplex Pavilion II
100 Sproul Road
Springfield, Pennsylvania 19064
Attention: Donald Legreid, Esquire
Vice President and General Counsel

With a simultaneous copy to:

Buchanan Ingersoll & Rooney, P.C.
Two Liberty Place
50 S. 16th Street, Suite 3200
Philadelphia, Pennsylvania 19102-2555
Attention: John R. Washlick, Esquire

Buyers:

Prospect Medical Holdings, Inc.
10780 Santa Monica Blvd., Suite 400
Los Angeles, California 90025
Attention: Ellen J. Shin, Esquire
General Counsel

With a simultaneous copy to:

Stevens & Lee, P.C.
620 Freedom Business Center Drive, Suite 200
King of Prussia, Pennsylvania 19406
Attention: Thomas M. Tammany, Esquire

or to such other address, and to the attention of such other person or officer as any Party may designate, with copies thereof to the respective counsel thereof as notified by such Party.

14.12. Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect, enforceable in accordance with its terms.

14.13. Interpretation. As used in this Agreement, and unless the context requires otherwise:

(a) References to Articles and Sections are references to articles and sections of this Agreement;

(b) The terms "hereto", "herewith", "herein", "hereby", "hereunder" and derivative or similar words refer to this entire Agreement;

(c) References to "include" or "including" mean including but not limited to or including without limitation;

(d) Each Exhibit and Schedule is incorporated in and made a part of this Agreement by reference;

(e) The gender of all words herein include the masculine, feminine, and neuter, and the number of all words herein include the singular and plural; and

(f) The terms "will" and "shall" are used interchangeably in this Agreement and the use of either term requires mandatory performance by the respective Party unless the context clearly states otherwise.

14.14. Divisions and Headings. The divisions of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

14.15. Risk of Loss. Notwithstanding any other provision hereof to the contrary, the risk of loss in respect of casualty to the System or any of the Assets shall be borne by Sellers prior to the Effective Time and by Buyers thereafter.

14.16. Affiliates. As used in this Agreement, the term "Affiliate" means, as to the entity in question, any entity that directly or indirectly controls, is controlled by or is under common control with, the entity in question. As used in this definition, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, membership interests, by contract or otherwise.

14.17. Material Adverse Effect. As used in this Agreement, the term "Material Adverse Effect" means an event, change or circumstance which, individually or together with any other event, change or circumstance would be reasonably expected to have a material adverse effect on the Assets (whether or not covered by insurance) or on the business, operations, results of operations, prospects, or condition (financial or otherwise) of the Hospitals, the business of, or the results of operations of, the System or the Sellers, but excluding any event, change or circumstance attributable to: (i) general economic or political conditions; (ii) either Party's discussions or negotiations regarding any collective bargaining agreement or any demand or request for recognition of any labor organization; (iii) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyers; or (iv) the acts or omissions of Buyers.

14.18. Accounting Date. The transactions contemplated hereby shall be effective for accounting purposes as of 12:00:01 a.m., Eastern Time, on the first calendar day of the month immediately following the Closing Date, unless otherwise agreed to in writing by Sellers and Buyers, all in accordance with Section 3.1.

14.19. No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, either Party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such Party.

14.20. No Third Party Beneficiaries. Except as otherwise provided in Section 14.21 of this Agreement, the terms and provisions of this Agreement are intended solely for the benefit of Buyers, Sellers and their respective permitted successors or assigns, and it is not the intention of the Parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other person or entity.

14.21. Enforcement of Agreement. The Parties hereto agree that irreparable damage would occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions (without the need to post bond or other security) to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Without in any way limiting the remedies prescribed to the Parties under this Section 14.21, and for purposes of clarification, the Parties agree and acknowledge that, while not a Party to this Agreement, the Foundation shall be entitled to an injunction or injunctions and any other such remedies to which the Parties are entitled at law or in equity, but only to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof.

14.22. Force Majeure. Whenever a period of time is prescribed herein for action to be taken by either Sellers or Buyers, neither shall be liable or responsible for, and there shall be excluded from the computation for any period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions, or any

other cause of any kind whatsoever which is beyond the reasonable control of either Sellers or Buyers, as the case may be.

14.23. Entire Agreement/Amendment. This Agreement supersedes all previous contracts or understandings, including any offers, letters of intent, proposals or letters of understanding, and constitutes the entire agreement of whatsoever kind or nature existing between or among the Parties respecting the within subject matter, except with respect to that certain side letter (the "Side Letter") signed by the Parties of even date herewith permitting the completion of certain Schedules within a specified time period after the Execution Date and which shall be considered part of this Agreement. As between or among the Parties, no oral statements or prior written material not specifically incorporated herein shall be of any force and effect. The Parties specifically acknowledge that in entering into and executing this Agreement, the Parties rely solely upon the representations and agreements contained in this Agreement and no others and no Party shall be entitled to benefits other than those specified herein. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all Parties hereto. Notwithstanding anything to the contrary herein, on or prior to the Closing Date, Buyers shall be permitted to update, supplement, correct and/or revise Exhibit B from time to time upon notice to Sellers.

14.24. PMH Guaranty. PMH hereby unconditionally and absolutely guarantees the timely performance and observation of Buyers for each and every obligation, covenant and agreement of Buyers arising out of, connected with, or related to, this Agreement or any ancillary documents hereto and any extension, renewal and/or modification thereof. The obligation of PMH under this Section 14.24 is a continuing guaranty and shall remain in effect, and the obligations of PMH shall not be affected, modified or impaired upon the happening from time to time of any of the following events, whether or not with notice to or consent of PMH:

(a) The compromise, settlement, release, change, modification, amendment (except to the extent of such compromise, settlement release, change, modification or amendment) of any or all of the obligations, duties, covenants, or agreements of any Buyer under this Agreement or any ancillary documents hereto; or

(b) The extension of the time for performance of payment of money pursuant to this Agreement, or of the time for performance of any other obligations, covenants or agreements under or arising out of this Agreement or any ancillary documents hereto or the extension or the renewal thereof.

14.25. Counterparts. This Agreement may be executed in two or more counterparts, which may be delivered by facsimile or electronic transmission, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

14.26. Municipal Resale Certificates. To the extent required by applicable law, at Closing, Sellers, at Sellers' expense, shall deliver to Buyers any resale or similar certification required by any municipality in connection with the sale and transfer of the Owned Real Property. To the extent required by applicable law and to the extent issued by the municipality

in which an Owned Real Property is located, at Closing, Sellers, at Sellers' expense, shall deliver to Buyers, a certification from the municipality in which the Owned Real Property is located as to outstanding notices of violations of any applicable laws, statutes, ordinances, and codes of such municipality. Sellers shall be solely responsible for correcting, prior to Closing, any violations identified by Buyer on any such certifications. Notwithstanding the foregoing, if Sellers' aggregate reasonable expenses associated with satisfying the requirements of this Section 14.26 are reasonably expected to exceed Five Million Dollars (\$5,000,000.00) (the "Code Violation Cure Amount"), then Sellers shall provide written notice thereof, including a description of such expenses, to Buyers and either Sellers or Buyers may terminate this Agreement upon written notice to the other, which termination right must be exercised, if at all, within ten (10) business days of Sellers' expense notice to Buyers, unless prior to the expiration of such ten (10) business day period, Sellers agree, by written notice to Buyers, to assume responsibility for payment of the Code Violation Cure Amount to satisfy the requirements of this Section 14.26, at which point Buyers shall no longer have a right to terminate this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, intending to be legally bound thereby, the Parties hereto have caused this Agreement to be executed in multiple originals by their authorized officers, all as of the date first above written.

CROZER-KEYSTONE HEALTH SYSTEM

By: Joan K. Richards
Name: Joan K. Richards
Title: President and Chief Executive Officer

PROSPECT CROZER, LLC

By: _____
Name: Samuel S. Lee
Title: Chief Executive Officer

PROSPECT MEDICAL HOLDINGS, INC.


By: _____
Name: Samuel S. Lee
Title: Chief Executive Officer

IN WITNESS WHEREOF, intending to be legally bound thereby, the Parties hereto have caused this Agreement to be executed in multiple originals by their authorized officers, all as of the date first above written.

CROZER-KEYSTONE HEALTH SYSTEM

By: _____
Name: Joan K. Richards
Title: President and Chief Executive Officer

PROSPECT CROZER LLC

 By: _____
Name: Samuel S. Lee
Title: Chief Executive Officer

PROSPECT MEDICAL HOLDINGS, INC.

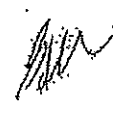
 By: _____
Name: Samuel S. Lee
Title: Chief Executive Officer

EXHIBIT B

Medicare Open Enrollment

[Click Here](#)

Crozer-Chester Medical Center Named Among Top in Pennsylvania for Serving the Community

Hospital among best in nation for community investment, according to healthcare think tank


Crozer-Chester Medical Center has been recognized by the Lown Institute for its generous contributions to community health and well-being, receiving an "A" grade in community benefit on the 2024-25 Lown Institute Hospitals Index for Social Responsibility. The hospital achieved this honor due to strong performance on financial assistance spending, service of Medicaid patients, and investing in community health needs, out of more than 3,500 hospitals nationwide.

Crozer Health Requests Community , Legislative Support

Crozer Health placed a full page ad – a letter to the community – in the September 8th issue of the Delaware County Daily Times, requesting that residents ask their local legislators to support the vital services the health system provides every day. Read the letter [here](#):

Letter of Intent Between Prospect Medical and CHA Partners, LLC

Prospect Medical Holdings, Inc. and CHA Partners, LLC (CHA) have signed a letter of intent for CHA to acquire Crozer Health. This acquisition will involve transitioning Crozer Health's hospitals back to not-for-profit status. This action formally begins the process necessary to complete a definitive agreement for the acquisition of Crozer Health. In this endeavor, CHA will be working closely with Healthcare Preferred Partners (HCPP), a firm with which it has a long-standing relationship.

CROZERHEALTH 



Crozer-Chester Medical Center is nationally recognized for its commitment to providing high-quality stroke care

Crozer-Chester Medical Center has received the American Heart Association's Get With The Guidelines® - Stroke GoldPlus quality achievement award for its commitment to ensuring stroke patients receive the most appropriate treatment according to nationally recognized, research-based guidelines, ultimately leading to more lives saved and reduced disability.

[Read more Crozer Health news and updates.](#)



Please Encourage Your Legislators to Support Vital Healthcare Services in Your Community

Dear community members,

Crozer Health plays a critical role in meeting the healthcare needs of our community, and we need your help to encourage your local legislators to support the vital healthcare services we provide every day.

Crozer Health operates two inpatient acute care hospitals, Crozer-Chester Medical Center in Upland and Taylor Hospital in Ridley Park, both with 24-hour Emergency Department services. We also have outpatient/surgery centers in Glen Mills (Brinton Lake), Haverford, Broomall, Springfield, and Media, as well as 37 primary and specialty care locations throughout Delaware County.

In addition, we have the only Level II Trauma Center, Regional Burn Center, and mental health Crisis Center in the county, and our EMS team provides lifesaving services daily for nearly all of Delaware County. Our facilities provide essential medical care that can mean the difference between life and death.

Crozer Health employs thousands of dedicated healthcare professionals and support service staff who depend on us for their livelihood. We are a medical training site for local universities, providing education and training for the next generation of medical students, residents, and fellows.

It is imperative that we protect access to quality healthcare for all residents of Delaware County and the surrounding communities, but we can't do it alone. We need you to contact your local elected officials to encourage them to preserve these critical healthcare services in your community. Find your local legislator here: <https://www.legis.state.pa.us/cfdocs/legis/home/findyourlegislator/>

We thank you in advance for your support and look forward to caring for our community members well into the future.

Cordially,

Crozer Health Leadership

